





THE ROUND TABLE is a co-operative enterprise conducted by people who dwell in the different parts of the British Commonwealth, and whose aim is to publish once a quarter a comprehensive review of imperial politics, free from the bias of local party issues. To this is added a careful and impartial treatment of outstanding international problems that affect the nations of the Commonwealth. The affairs of THE ROUND TABLE in each portion of the Commonwealth are in the hands of local residents, who are responsible for all articles on the politics of their own country. It is hoped that in this way THE ROUND TABLE serves to reflect the current opinions of all parts about imperial problems, and at the same time to present a survey of them as a whole, in the light of changing world conditions.

# THE ROUND TABLE

A QUARTERLY REVIEW OF THE POLITICS  
OF THE BRITISH COMMONWEALTH

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# THE GRAND ALLIANCE AGAINST AGGRESSION

## I. FROM APPEASEMENT TO GRAND ALLIANCE

THE last three months have witnessed a profound change of direction in British foreign policy. For the pursuit of "appeasement" there has been substituted, with the assent of all three parties, an attempt to build up a grand alliance against aggression. And, so far as can be judged from London, the change has had the general support of the other nations of the Commonwealth. What has brought this reversal about?

There has been a widespread misinterpretation of the so-called policy of "appeasement". It was not, as many believed, a policy of trying to buy off Nazi Germany by paying "danegelt", often at the expense of others. Nor was it, as others thought, a crypto-fascism forced upon the Government by the aristocratic and capitalist classes. The policy that Mr. Chamberlain began to follow when he became Prime Minister was based fundamentally on the belief that war is not the only or the best instrument of international policy, whether it is waged in the name of collective security or otherwise. More particularly, it was based on the view that Germany had been foolishly and unreasonably treated after the war, and that there would be no foundation for lasting peace until her legitimate claims in Europe, including the right to self-determination or racial unity, had been met. It would then be possible, he thought, to sit round the table with her on equal terms and make a lasting peace, by settling colonial and economic problems in return for an all-round reduction of armaments.

This was an entirely just and sensible policy in itself.

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It ought, in fact, to have been carried into effect while the German republic still existed. What Mr. Chamberlain and a majority of people in Great Britain failed to realise, until after "Munich", was the true nature of the National Socialist power that confronted them. If they realised it, they failed to give it its due weight. National Socialism was not the "last stand of capitalism", as Marxists interpret fascism. On the contrary, it has proved itself primarily a lower-middle-class and working-class movement, able to over-ride the hostility of a capitalist and intellectual minority by the strength of its hold over the masses. Nor was it merely an attempt to secure for Germany, by temporarily organised discipline and armed strength, what impartial liberal judgment might have considered to be her rights and her fair place in the world. It was a dictatorial régime, born of the post-war repression of Germany, and obsessed by racial feeling. Having captured Germany itself and subordinated every internal activity to its will, it went on to seek power and domination at the expense of other countries, by the diplomacy of menace and breach of agreement, by the organisation of unrest within its victims, or by any other brutal means, not excluding war, that could be justified on the ground that they led to the desired end.

In the negotiations over Czechoslovakia, Mr. Chamberlain carried his policy of peace by reasonable compromise to its logical conclusion. He accepted the view that an essential condition of lasting peace was to include the Sudeten Germans within the Third Reich, thus, as Herr Hitler's own assurance gave him cause to believe, satisfying the Fuehrer's last territorial claim in Europe. At the Godesberg conference, Herr Hitler, not content with the Anglo-French terms—that is, the pacific concession of his demand for Sudetenland, provided that it was carried out gradually and under international supervision—insisted upon an immediate military occupation of a larger area. It was evidently this incident that first began to open Mr. Chamberlain's eyes. He had to decide, in that fatal

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week, whether to risk war then, or to gain time for pacific forces to work against war and for the democracies to re-organise and expand their still backward armaments. In the knowledge that the Anglo-French preparations in the air and against air attack were still quite inadequate, and that there was no way of saving Czechoslovakia from being overrun by Germany both from the Austrian back-door and from the north, the British and the French Governments agreed, on condition that Germany refrained from invading Czechoslovakia, to accept some modification of their terms. History will decide whether Mr. Chamberlain was right in this decision or not. There is much to be said on both sides, and there was certainly no unanimity in public opinion at the time, either in Great Britain or in the Dominions. The evidence goes to show that Mr. Chamberlain's policy met with thankfulness and approval among the majority of people in the British Commonwealth.

Later events, however, have rapidly convinced not only the British Cabinet but also the overwhelming mass of people in Great Britain, and apparently in the British countries overseas and in the United States, that they are no longer confronted by claims for a reasonable dispensing of justice, but for something quite different, the forcible re-partitioning of the world, leading to its domination by the fascist totalitarian philosophy. In Herr Hitler's Saarbrücken speech of October 9, when he rejected Mr. Chamberlain's plea for negotiation because the latter was Prime Minister of a democracy that might at any time change its Government, in the renewed and sadistic persecution of the Jews, and finally in the attainment of his real aims of September last by a sudden military invasion of Bohemia and Moravia, followed by their annexation and the arrest by the Gestapo of all Czech leaders of independence and character, he made his real objective clear. He expounded his new programme in his speech to the Reichstag in reply to President Roosevelt's April note. What Herr Hitler demands is no longer the unity of the German race and

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a revision of the unjust clauses of the Versailles treaty, but "*Lebensraum*". This implies territorial expansion of a kind and extent to include under the direct government of the Reich lands for settlement, and the raw materials, foodstuffs and markets needed to make Germany fully self-sufficing, this to be achieved by the annexation and subordination of other peoples; and a superiority of armed force over all her neighbours, in the name of German security, to the end that Germany shall become the unassailable overlord of Europe, and ultimately of the whole non-American world.

There is an economic aspect of this claim which is legitimate and which the democracies will have to meet in some way. To this problem we will return later. When, however, the claim is pressed as the spearhead of a military imperialism, backed by a "total" organisation for war, which seeks to overthrow both individual and national freedom, the western democracies have no option but to take up the challenge. Their reply has been, not collective security on the old League model, but something very different, a grand alliance against aggression from a particular though not openly specified quarter.

At the time of writing that grand alliance takes the form of a mutual guarantee between Poland and Great Britain, reinforcing the Franco-Polish alliance, and stipulating that if either party is attacked, and decides to resist, the other party will come to its assistance with all its strength; of a mutual undertaking between Great Britain and Turkey to lend each other all the aid and assistance in their power in the event of an act of aggression leading to war in the Mediterranean area; and of unilateral guarantees by France and Great Britain to come to the assistance of Greece and Rumania, if they are attacked and resist.\* Negotiations to include Soviet Russia in the system are continuing. Those are very formidable obligations, legally binding on Great Britain alone and not on the Dominions, though they have

\* For the terms of these engagements, see below, pp. 604-606.

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been entered into, if not with their consent, at least without their dissent, so far as is known. In order to bring conviction of her sincerity to her allies, and to provide in as short a time as possible the reserves necessary to maintain an expeditionary force that could reinforce France, Portugal, Iraq, or Egypt or any threatened part of the Commonwealth in time of crisis, Great Britain has thrown over her ancient tradition of voluntary military service in time of peace, and has adopted a system of conscription.

The fundamental argument for this drastic change is necessity. The plan set forth in *Mein Kampf* is that of organising an absolutely united, disciplined and highly armed Germany, able through the resolution of its diplomacy and the weight of its armed might to impose its will on all its neighbours, one by one, where necessary with the help of allies. That plan was used first to escape from the fetters of the peace treaties, through the re-introduction of conscription, the breaches of other disarmament clauses, the re-militarisation of the Rhineland, and the absorption of Austria into the Reich. It was successful largely because the neighbours of Germany were unable to unite, feeling, as they did, that fundamentally Germany had much justice on her side in these demands. A large number felt the same about the Sudetenland. But the drastic and brutal subjugation of Czechoslovakia, in direct violation of the Munich "peace", followed by parallel action by Italy in Albania, produced a vehement revulsion of feeling. The test of justice now pointed the other way. There was nothing in the peace treaties to equal in repression the treatment of the Czechs. But by then the strategic position had been gravely prejudiced. It was clear that, unless Great Britain and France could form a solid coalition of resistance to further aggression, it would grow much worse. Poland, Rumania, Jugoslavia and the rest of the small States of central Europe would be speedily overrun or coerced into subordination; Russia and the United States

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would retire into defensive isolation; and Great Britain and France would be left alone, without allies, to attempt to resist the remorseless advance, first over Europe and then over most of Asia and Africa, of the anti-Comintern Juggernaut.

So far, the building of the grand coalition has gone well. Combined with the movement of the American fleet to the Pacific, it seems to have had the effect of loosening the allegiance of Japan to the Axis group. It has also raised in Italy widespread doubts whether the Axis policy is not leading her into total subordination to German policy, while leaving her to bear the main brunt of a war. On the other hand, all coalitions are inherently unstable. They depend upon the willingness of each member to go to war for all the rest, and that willingness is apt to flag with time.

It is extremely unlikely that Herr Hitler is going to abandon his programme. He will certainly try to prove that the coalition is not as solid as it seems. Some believe that he will try conclusions with France and England in the very near future, before they are fully rearmed; for, if he could achieve a sudden victory by the violence and unexpectedness of his attack, that would be his shortest road to world power. Others believe that he will wait until the present tension has died down, and then resume his military pressure on the weakest element in the grand alliance, confident that the rest will shrink from taking action that might lead to world war in order to prevent, for instance, the incorporation in the Reich of the German city of Danzig, which is also the key to Polish independence. If he succeeds in this, he will use this local success to prove that the coalition is impotent against German power and his own diplomatic skill. If the coalition resists, as it ought, it will be taking its stand, not on the particular merits of the Danzig issue or any other, but in order to restore two principles necessary to civilised international life: that every free nation, like the Czechs, has the right to independence, and that, the overdue changes in the treaty

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settlement having now been made, any further revision of the *status quo* must be carried out by free negotiation and not at the point of the sword.

### II. WHY THE LEAGUE FAILED

**B**UT the consolidation of a coalition against aggression is clearly not enough. Before considering, however, the constructive policy that the democracies should offer as the alternative to the imperialism of the fascist Powers, let us examine briefly the reason why, despite the high hopes created by the victory of 1918 and the inauguration of the League of Nations, we find ourselves in the dire position of to-day. It is all the more important to do this because there is a tendency throughout the Commonwealth to attribute to the British Government all the responsibility for our troubles, whereas, on any dispassionate view, that responsibility must be shared by other Governments and also by the Opposition critics in Parliament themselves.

The prospects of a new and better world, based on the League of Nations, depended upon two conditions. The first was universal membership of the League, which meant the adhesion of the United States and in due course of Germany and of Russia. The second condition was three-fold : that the peace settlement should have been such as to command, in time, general acceptance ; that the League should have adequate powers of treaty revision ; and above all that it should be able to limit both economic nationalism and armaments. In fact, none of these conditions was realised. There was no universality, because the United States rejected the League, and by the time that Russia was ready to join it Japan, Germany and, in effect, Italy, had withdrawn, in order to try to upset the *status quo* by force. There was no real revision, because, on the lapse of the Anglo-American treaty of guarantee to France, through the withdrawal of the United States and Great Britain's delay in offering to fulfil it by herself, France fell back upon her



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original policy of attempting to keep Germany permanently weak. She exchanged Briand for Poincaré, invaded the Ruhr, organised an anti-German alliance system which dominated the League, and refused to make any concession on the fundamental territorial conditions of the treaty of Versailles, or on the clauses requiring Germany's unilateral disarmament and prohibiting the military occupation of the Rhineland, until she had been given back the joint Anglo-American security that she had been promised. This was perhaps a natural policy in the circumstances. But it was a fatal policy. It prevented the League from doing its proper work in Europe, and it became in the end the major factor in giving Hitler and National Socialism control of Germany.

Perhaps even more serious, in the long run, was the inability of the League to limit economic nationalism. The stoppage of migration, the well-nigh universal pursuit of national self-sufficiency by way of high protection, quotas, embargoes, exchange restrictions and subsidies, and the attempt to collect unmanageable war debts and reparations, were the main causes of the unemployment and the social stresses that led to the substitution of totalitarianism or militarism for liberal democracy in Italy, Japan and Germany and in other smaller countries.

The failure of the League to realise the three conditions mentioned above was not due principally to the defects of individual statesmen: it was the inexorable consequence of the decision, inevitable no doubt in 1919, that the post-war world should be organised as a system of co-operation between sovereign States.

A further and even more formidable consequence was the growth of a movement, gathering strength as war-weariness died away and the difficulty of obtaining treaty revision by peaceful means became clearer, to alter the settlement by force. The militarist and dictatorial parties that came to power in the wake of this movement rapidly began to win local successes, in the Far East, in Abyssinia, in Europe. They were able to do so mainly because of two

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fundamental mistakes made by the English-speaking peoples in their post-war policies. Although it had taken the combined resources of France, the British Commonwealth and the United States, not to mention smaller countries, to defeat Imperial Germany and her allies, and although, as is now clear, if the League was to function and the liberal principles of the post-war settlement were to be protected, an irresistible coalition should have been maintained at the heart of the League, the three victorious democratic great Powers fell apart immediately the war was over. Secondly, Great Britain and the United States, trusting to their apparent geographical immunity, not only withheld their guarantee to France, but also adopted the convenient view that disarmament was the road to peace.

This was, in practice, a fatal policy in a world in which all nations still retained their sovereignty, and in which there was no general acquiescence in the *status quo*. Until federation abolishes sovereignty and creates a true world government amenable to public opinion, the nations will continue to live in anarchy, whatever their contractual obligations may be; and under conditions of anarchy it is power and not public opinion that counts. For sovereign States, when their rights are denied or their interests diverge, and they fail to settle the dispute by arbitration, diplomacy or conference, find that their only remedy is an appeal to force. Even when Japan, Italy and Germany, dissatisfied with the *status quo* and determined to alter it by the show of superior military power, had begun to discipline their people and to rearm, the British Commonwealth and the United States still clung to the ideal of disarmament. The fundamental, though not the only, explanation of the tragic history of the last eight years is to be found in the failure of the English-speaking democracies to realise that they could prevent aggression only by unity and by being strongly armed enough to resist it wherever it was attempted. For this the Oppositions have been at least as responsible as the Governments.

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The story begins with Manchuria. By 1931, the military party in Japan had made up its mind that the only way either to relieve internal economic tensions in Japan or to secure her political future as a great Power was to expand in China. They began that expansion by the annexation of Manchuria. It is widely believed that, if only Sir John Simon had supported Mr. Stimson instantly and vigorously, the first breach in the post-war treaty system would have been prevented and all subsequent disintegration avoided. Sir John Simon's diplomacy may indeed have been slow and unsympathetic. But the interpretation does not take into account the underlying realities. The Far East and the Pacific were governed, at that time, by the Washington treaties, which contained, in substance, two provisions. The first was that the nine signatory Powers would respect the integrity and independence of China, which included Manchuria. The second was that the three main naval Powers, Great Britain, the United States and Japan would end the possibility of war between them by agreeing to a naval ratio of 5 : 5 : 3 for the three navies and to the non-fortification of any naval harbours in the vast ocean triangle bounded by Hawaii, the mainland of Japan and Singapore. This last provision gave the United States command of the eastern Pacific, Great Britain that of the southern Pacific and the seas around the Dutch islands, and Japan that of the China seas and the western Pacific.

The Washington treaties, admirable as they were from the liberal point of view, gave the Japanese power-politician his opportunity. The power-politician feels free to embark upon a policy of might when he is convinced that no superior force, military or economic, will be brought against him. In the absence of such superior force, no appeals to the moral judgment of mankind have the slightest effect. In no instance since the war has the militarist been deterred by moral condemnation, neither in China, nor in Abyssinia, nor in Spain, nor in

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central Europe. The only way, therefore, in which Japan could have been checked in Manchuria would have been for the League Powers and the United States to impose decisive economic sanctions. Such a policy was never proposed either by the United States or by Great Britain. But that is only half the problem. Collective economic sanctions, to be effective, require collective action in dealing with retaliation. Over Manchuria as over the invasion of China in 1937, effective economic sanctions would almost certainly have led to retaliation by Japan—in the shape, no doubt, of an attempt to seize vital supplies of oil and rubber from the tropical territories to the south—unless she had been opposed by superior naval power. In 1931, the naval base of Singapore was not built, and Russia was not in the League; and in 1937, while Russia was a member of the League and the Singapore base was nearly complete, the British navy was so deeply engaged in the Mediterranean and the North Sea that Great Britain would have found it very difficult to maintain at Singapore a force superior to the force that Japan could deploy against her. Any collective policy against aggression in the Pacific therefore depended then, as it depends now, on whether the supreme navy in the Pacific, the American navy, is or is not “in the game”. And no promise to use the American navy in joint resistance to retaliation against any collective sanctions was forthcoming, either in 1931 or in 1937.

The Far Eastern case illustrates the essence of the whole problem of the last nine years. In the game of power politics as played by the totalitarian States, what counts in any crisis is not the moral justification for one's cause, though that may have profound effects in the long run, but the armed power that can be brought to bear at the particular spot involved. If the British Government, like the French and other Governments, have been irresolute in their diplomacy, a main cause of that irresolution has been the knowledge that the opposing Powers were as a rule stronger than the democracies at the particular point

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menaced, and that the democracies were extremely loath to use war or the threat of war as an instrument of their policy. The weakness of the Opposition in Great Britain has been that, while the policy that it has advocated has often been theoretically right, it has demanded bricks without straw, because until comparatively late in the day it resisted rearmament, without which its policy would have led to disaster, just as it has recently resisted conscription. Neither Government nor Opposition can therefore escape responsibility for the present situation, and it would conduce to national unity if both sides would admit that the other side had not been solely to blame. And much the same may be said of the British Commonwealth overseas. The most passionate critics of United Kingdom policy in the Dominions, and those who have demanded most loudly the taking of vigorous action, have seldom urged their own countries to prepare for, or to pledge themselves to take an active part in, the armed struggle to which the adoption of their policy might lead.

In all the subsequent crises through which we have degenerated into our present position, the same issue can be seen. Except over Abyssinia, where the decisive factor was the determination of France, after Herr Hitler's re-introduction of conscription, not to break the Stresa front and thus to drive Italy into Germany's arms, the problem was always the reluctance of the democracies to threaten or use war as the instrument of their policy, combined with their military unpreparedness. This difficulty of adjusting their external policy to the means that they possess to enforce it is almost inherent in democracy. Within a democratic State, the question of adjusting policy to power never arises. Party warfare, by wordy controversy, seeks to collect a majority of votes at the next general election, after which the control of the overwhelming legislative and police power of the state automatically passes, without bloodshed, into the hands of the victorious party. But in international affairs recriminatory propaganda does not

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persuade other nations. In so far as it reaches them at all, it only infuriates them. There is no general election at which the issues can be settled and power transferred by majority vote. Where agreement by conference or diplomacy proves impossible, only an appeal to power politics or war remains, and the decisive question is which party can mobilise superior armed force at the point of crisis or in the world as a whole.

At long last these realities seem to have been grasped by all parties in Great Britain. The Government have realised that appeasement by reasonable compromise will not suffice unless they can make clear that they can and will resist attempts to impose decisions by force. The Opposition are realising that phrases and a fine moral policy will not suffice unless they are willing to make the sacrifices necessary to produce superiority in armed power at the point where the crisis arises. And both now realise that collective security, in the old League sense of the term, disappeared as soon as the great Powers began to rearm, because the small nations, who can produce little armed strength, were thus inevitably driven back to neutrality; and that, once the totalitarian militarist Powers set out to alter the *status quo* by force, the only answer was the grand military alliance, which it was one of the main objects of the League to prevent.

### III. ALLIANCE IS NOT ENOUGH

THE organisation of resistance to aggression is not, however, a sufficient policy either for the democracies or for the British Commonwealth, even though it be the most urgent task immediately before them. If they are to succeed in resisting totalitarian aggression, and still more if they are to avoid the world war towards which, in the end, the reappearance of two great military alliances logically leads, they must be able to put forward a constructive programme. Not only must the programme command

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unity and enthusiasm among themselves; it must also offer a better future to the peoples of the totalitarian States than that which subservience to the present policy of their leaders promises. That programme, in addition to standing for the liberty of the individual as against the secret state police, and for the autonomy of all nations, must also contain two other fundamental elements. The first is reasonable economic liberty and equality both for individuals and for nations. The second is some form of world organisation that will assure security for these conditions and lasting peace.

These two objectives are in fact inseparable. The most formidable pressures towards imperialism and expansionism in the last fifteen years have been economic. Japan says that she has entered China because in no other way could the inhabitants of her own islands live. Italy, deprived of the relief of emigration to the New World and of access to markets, justified her conquest of Abyssinia on the same grounds. Hitler now points to the map and demands *Lebensraum*—living space—for the German people. Germany, he says, must eat or die. On no other excuse could the dictatorships persuade their peoples to submit both to rigid discipline at home and to the risks of war abroad. It would be relatively easy to adjust the administrative frontiers between racial States, were it not that the political frontiers are also the barriers to emigration and economic intercourse. If, under a universal régime of free trade and national self-government, the resources and markets of the whole world were open to everybody, there would be no justification for imperialism, and the main present ground for international outrage would disappear. Because all nations to-day try to keep their markets to themselves, forbid immigration, and bar international trade by tariffs, quotas, exchange controls and subsidies, those who study maps contrast the apparently vast extent of the French and British empires, or the thinly populated United States or British Dominions, with the crowded territorial areas of

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Germany or Japan, and proceed to demand territorial revision on the grounds of equality and justice. Yet her empire has not solved her economic problem for Great Britain. Partly because she has encouraged self-government, with the result that each constituent State has its own economic policy, and partly because the big international trade of the world is always between the developed industrial States and not with colonies at all, and this trade has been restricted by economic nationalism, she still has a vast army of unemployed.

If there is not to be a world war for the redistribution of natural resources by territorial changes—a war that would solve nothing because it would not strike at the root of the problem—it is essential that the democracies should face the issues involved. This requires both a short-distance and a long-distance policy. An immediate step was advocated by President Roosevelt in his letter to Herr Hitler and Signor Mussolini proposing an international conference to deal with these economic problems, and with disarmament, provided there was agreement on a ten years' truce from war. That proposal should be kept in the forefront of diplomatic discussion, though it is unlikely to be effective unless and until the democracies and their allies can convince the dictatorships that an attempt to re-draw the map by power politics or war cannot succeed.

But any permanent solution of this economic problem, as of the problem of peace and of national and individual liberty, depends upon whether the nations can deal in some way with the national sovereignty that has destroyed the League and the hopes with which the war of 1914-18 ended. It is now quite clear that the nations cannot secure peace, liberty or prosperity, either by isolationism or by neutrality, or by any League or contractual system that leaves the sovereignty of its members intact. Indeed the anarchy of sovereignty lies at the bottom of the totalitarian attempt to create peace and order in Europe and perhaps elsewhere in the world by imperialism, that is, by the domination of



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certain armed races over the rest, at the price of the loss both of individual and of national freedom. That attempt cannot in the end succeed. The forces of liberty are too well organised and too strong, though immense loss and damage may be inflicted on the world before that issue is decided. But in the long run, if the world is not to be doomed to recurrent war to save national liberty from being destroyed by imperialism, there must be a new system of international organisation, stronger than the League. It must be strong enough to prevent rearmament and war. It must be empowered to restrain economic nationalism and prevent the undue restriction of emigration. The price of this is that the nations should be willing to surrender some of the unlimited sovereignty that they now possess. Then, and then only, will mankind have begun to lay the constitutional foundations on which alone a true world civilisation can be built, giving peace, national and individual liberty, and prosperity to all.\*

\* For a further discussion of this issue, see the article below on "*Union Now*."

# PALESTINE : A LEAF TURNED

## I. THE LONDON MEETINGS

THE London Conference on Palestine failed conspicuously in its prime object of reaching an agreed settlement. No blame for that can be said to attach to Mr. Malcolm MacDonald, the Colonial Secretary, who devoted himself to the task of mediation with untiring patience and persistence. In the strict sense of the word there was no conference at all, but rather two series of parallel conversations with the British Government; for on no occasion did the Palestinian Arabs meet or confer with the Jewish representatives. This refusal to recognise the *locus standi* of the Jewish Agency for Palestine, the "appropriate Jewish agency" set up by article IV of the mandate, may be taken as a measure of Arab intransigence.

The Arab delegation included five members of the former Higher Arab Committee, who expressed the views of their absent leader, the Mufti, and two representatives of the Arab Defence (or Nashashibi) party. The latter group are rivals of the Mufti's clan, the Husseini, but differ from them only over the employment of terrorism. In addition, the British Government invited representatives of the neighbouring States, Egypt, Iraq, Saudi Arabia, the Yemen and Trans-Jordan. Thirdly, there was the Jewish delegation, consisting of Dr. Chaim Weizmann and four other members of the Agency, together with certain members of the Jewish Conference Committee, an advisory body representative of world Jewry.

It will be well to consider the points of view of each of the participating delegations as expressed during the opening sessions; for none of them subsequently deviated in

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any important particular from its initial position. The Palestinian Arabs demanded political independence and the immediate cessation of Jewish immigration, offering safeguards to the existing Jewish minority and an alliance with Great Britain on lines similar to the Egyptian and 'Iraqi treaties. They were demanding, they insisted, nothing more than their bare rights, which had been explicitly recognised in British pledges given during the war of 1914-18 in return for support against the Turks. Palestine, they claimed, was an Arab country, having as clear a right to independence as her autonomous neighbours; and, that being so, the determination of the Arab population to prevent further Jewish penetration was in law and equity irresistible. No peaceful settlement was possible which failed to recognise and accept that exercise of a national will. The contention of the representatives from the neighbouring States differed from this only as regards the implications of the Arab case. To their Palestinian colleagues they counselled moderation in method of presentation: to the British they laid more stress upon the importance of a contented Palestine to British imperial interests in the Moslem world.

If the Arabs claimed that they had right on their side, so too did the Jews, and with equally passionate conviction. By the Balfour Declaration, they said, the British Government had solemnly bound itself to promote a Jewish National Home in Palestine, and that promise had been explicitly recognised and confirmed by fifty-two member-nations of the League in drafting the terms of the mandate. The Jews had faithfully carried out their side of the bargain by supporting the Allied cause in all parts of the world. They did not now ask for an eventual majority in Palestine as a whole: indeed, they had steadily circumscribed their aims for the sake of relieving the embarrassment of the mandatory Power, until finally they had accepted (though with great reluctance) the partition scheme, which would have restricted Jewish settlement to a small corner of the

## PLEDGES AND THEIR MEANING

country. They were prepared to give fair and serious consideration to any proposals, provided that they did not contravene two conditions: the maintenance of parity status, and non-crystallisation of the existing position respecting land settlement. As to the contention that the Jews were in Palestine on sufferance and not as of right, because Palestine had, in fact, been included among the Arab territories for which independence had been promised, the relevant documents (the Jewish delegates asserted) would not bear any such interpretation.

The Jews were on the defensive, but they clung grimly to what they felt to be the essential *minima*, that is to say, a guaranteed security in Palestine (other than mere Arab promises) and continued opportunity, under almost any form of restriction, to plant Jewish immigrants on the land in so far as economic conditions could be shown to justify it. In other words, let everything possible be done to satisfy Arab aspirations, but Zionism—however limited the sphere—must go on. And that, of course, was precisely where the Arabs returned an adamantine “No”.

## II. PLEDGES AND THEIR MEANING

IN searching for a basis upon which to build a settlement acceptable to all parties, the British Government found themselves confronted by the circumstance that Arabs and Jews based their claims of right upon directly opposing interpretations of certain historical documents. The famous correspondence between Sir Henry McMahon, High Commissioner at Cairo, and the Sherif Hussein of Mecca, in 1915 and 1916, was accordingly published in full as a White Paper, and this was followed by another which included the message of Commander Hogarth to Hussein in January 1918, and the declaration of the High Commissioner to the seven Arab leaders in Cairo in June of that year.\* A British committee, with the Lord Chancellor as

\* Extracts from these documents are printed below, pp. 470-475.

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chairman, scrutinised these and other relevant documents in collaboration with certain of the Arab delegates. The official British interpretation decisively negated the Arab contention that Palestine was among the territories to which independence had been promised. Taken by itself, that denial would validate the opposite contention that Palestine was a country where there was no bar to the establishment of a Jewish State. But the committee's report did not stop there: it went on to examine the other relevant declarations and promises, and arrived at this equally important conclusion: "it is evident from these statements that His Majesty's Government were not free to dispose of Palestine without regard for the wishes and interests of the inhabitants of Palestine." The following pledge had indeed been given in the "Declaration to the Seven":

It is the wish and desire of His Majesty's Government that the future government of these regions \* should be based upon the principle of the consent of the governed, and this policy has and will continue to have the support of His Majesty's Government.

In the opinion, therefore, of the British Government they are not bound by pledges to grant independence to the Palestinian Arabs, they are bound by the Balfour Declaration to promote a National Home for the Jews, and they are further bound not to dispose of Palestine in opposition to the wishes of the inhabitants.

What *were* the wishes of the inhabitants? They were inarticulate at the time, but the views of their leaders seem clear enough. Commander Hogarth, commenting on his conversation with King Hussein in January 1918, wrote:

The king would not accept an independent Jew State in Palestine, nor was I instructed to warn him that such a State was contemplated by Great Britain. He probably knows little or nothing of the actual or possible economy of Palestine and his ready assent to Jewish settlement there is not worth very much. But

\* *I.e.* "Areas formerly under Ottoman dominion, occupied by the Allied forces during the present war."

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I think he appreciates the financial advantage of Arab co-operation with the Jews.

There is evidence that the Emir Feisal and other Arab leaders also gave their assent and approval to the project of a Jewish National Home. The very fact that they did so seems to show beyond doubt that they assumed the compatibility of the project with the general pledge of Arab self-government—the sole *raison d'être* of the Arab Revolt. The establishment of a colony of wealthy and enterprising fellow-Semites in Palestine would seem as desirable as did the immigration of Flemish weavers into England in the days of Edward III. How could these Arabs foresee that the undying passion for the rebuilding of Zion would loose the purse-strings of Jews throughout the world and inspire the settlers with such heroism that the desert literally blossomed as the rose? Zionism, in fact, has been almost too successful to succeed.

The “wishes of the inhabitants”, then, may be summarised as an initial welcome, given under a misapprehension, a welcome which has now been withdrawn as the result of experience, and which no arguments of economic advantage will induce them to restore. In their eyes, Zionism, from being a useful aid, has become a menace to their national existence, and therefore no longer compatible with Arab self-determination.

And what of the British Government? According to Mr. Lloyd George's evidence before the Peel Commission, the possibility of a Jewish commonwealth in which the Arab population would be in a minority was in fact contemplated. To that, the only honourable answer is that our pledges to the Arabs were never consistent with a Jewish majority in Palestine as a whole, and no valid promise implying this could ever have been given. The Balfour Declaration holds good—it must: but only in so far as it does not obstruct the evolution of Arab self-government. Many Jews would accept that proposition to-day, subject to certain conditions.

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The problem confronting the Government is how to render a Jewish National Home compatible with the equally valid aspirations of the Arabs. It is far more difficult now than it was at the outset, for the Arabs are afraid, furiously afraid; and the Zionists, who had hoped to master the country and so to be masters of their own destiny in at least one corner of the world (and that the most sacred), find themselves in danger of sinking into an unprotected minority, living on sufferance and subject to the caprice of their hosts—a return, in short, to their immemorial captivity. Rather than submit, many Palestinian Jews would fight, forlorn though their cause would be. The prospect of British troops in action against a Jewish community of refugees is not pleasant to contemplate. On the other hand, expediency no less than honour demands that our pledge to the Arabs shall be no longer delayed in its execution. The Zionists counted on winning security by means of predominance. How is that security, to which they have an unquenchable right, to be assured to them as a minority? That is the immediate problem.

### III. PAST EFFORTS AT SOLUTION

IN order to test by these vital requirements the British Government's latest proposals for Palestine, it will be well to consider briefly the solutions previously suggested. They may be described as the Shaw plan, the partition scheme and the Woodhead compromise. In 1930, in consequence of growing unrest in Palestine, the Shaw Commission were sent out, and in due course made a report. Its terms implied such far-reaching changes in policy that Sir John Hope Simpson was hastily despatched to re-examine the situation. His report, however, substantially endorsed that of the Commission. Thereupon Lord Passfield embodied their recommendations in a White Paper which aroused a storm of protest. He proposed to establish autonomy in Palestine in successive stages, and

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to impose drastic restrictions upon Jewish immigration and land purchase, in order to check the serious increase of landless Arabs. Naturally, the Zionists were alarmed: the ground was slipping from beneath their feet. Pressure was accordingly brought to bear upon the Government, with the result that Mr. Ramsay MacDonald, in his famous letter of 1931 to Dr. Weizmann, capitulated. The first serious attempt to reduce the implications of the Balfour Declaration to terms compatible with our pledges to the Arabs had failed. Meanwhile, the situation in Palestine itself grew progressively worse.

Then came the Royal Commission, headed by Lord Peel. Their report is the most brilliant and balanced exposition of the problem that has ever been written. They frankly recognised that in Palestine there was a conflict of right *versus* right; that being so, the proper answer to the question whether it was to be the Jews or the Arabs who should dominate Palestine was "Neither". Searching for means wherewith to translate that principle into action, they hit upon the valuable device of territorial limitation. Let the country be partitioned into two independent areas, one Jewish and the other Arab. In the former the Zionists would be free to convert their ancient dream into reality, importing as many Jews as they found themselves able to absorb. Similarly, in the latter, the Arabs would be masters of their own destiny, free at last from any fear of Jewish encroachment. Thirdly, the sacred sites in and about Jerusalem would be withheld from the control of either and retained under an international mandate. The principle of territorial limitation was indubitably sound, and it is not too much to say that no future plan which ignores it has any chance of success. But unfortunately the population pattern of the country does not correspond to two racial *blocs*, however the boundaries may be drawn. Recognising this, the Peel Commission recommended the compulsory transference of population. The British Government, on receiving the report, accepted the principle



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of partition, but rejected compulsory removal. In so doing, they virtually killed the partition plan.

The Woodhead Commission thus went out to Palestine to make the best of a scheme already rendered moribund. The boundary plan tentatively suggested by the Peel Commission was examined and rejected, chiefly because the proposed Jewish State would have included 295,000 Arabs as against 305,000 Jews, while within the Arab State there would be only 7,200 Jews and 485,200 Arabs. A forced transplantation was ruled out, and an effective adjustment by means of voluntary exchange was for obvious numerical reasons impossible. The commissioners then turned to a variant of the Peel Commission's scheme, which they called "Plan B". This would have excluded Galilee from the Jewish State, the land and population in that area being overwhelmingly Arab. But what was to be done with Galilee? If it remained under Arab control, it would constitute, from its position, a permanent military menace to the Jews. If, on the other hand, it remained under mandatory control, the Galilee Arabs would be denied their independence "in order to ensure the security of the Jewish State". Plan B was accordingly rejected.

The Commission then discussed a partition scheme of their own, under which there would be a northern mandated territory (an enlarged Galilee), a Jewish State along the coast, an Arab State in the centre, a mandated enclave about Jerusalem, and a southern mandated territory comprising the Negeb. It is clear that the Woodhead Commission regarded their plan with serious misgiving. The Galilee problem had not been solved, and grave objections relating to defence, financial administration and labour problems were frankly admitted. Finally, in desperation they went beyond their terms of reference and proposed a customs union for the five suggested zones, directed by the mandatory Power, a service that might possibly be extended to include railways, posts and telegraphs. They thus proposed an important curtailment of political independence.

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Although their terms of reference have been criticised by advocates of the Peel Commission's scheme of partition, the Woodhead Commission manifestly gave the most patient attention, not only to problems of defence, but also to statistics of population, industry, soil productivity and hydrographic surveys; and found that in sum they pointed irresistibly to the impracticability of carving the country into politically independent parts. Palestine is industrially and strategically one unit. Moreover, the fact remains that the mere mention of the word "partition" provokes so violent a reaction in the mind of the Arab that its attempted application would undoubtedly cause immediate civil war within the Jewish State.

Yet this is not to say that the idea of territorial limitation is wrong in principle or inapplicable in practice. The report of the Peel Commission has been unjustly depreciated. It made an invaluable contribution to a permanent settlement by pointing out that Jews and Arabs must be sorted out from each other, in order that each party should be able to live its own life in its own way. But complete political separation goes too far, because it ignores the fact that the two race groups are economically and strategically interlocked. What is required to fit the circumstances is political segregation combined with association for common purposes—which is another way of describing federalism. An independent Palestinian federation alone satisfies the crucial tests. It provides for a Jewish National Home on a territorial basis without arousing the fear (and therefore the hostility) of the Arabs. It implements the general pledge of independence given to the Arabs, which ought no longer to be denied them. And—what is perhaps most important of all—it meets the needs of a complex social and economic situation, under which an Arab population, which is multiplying at a phenomenal rate, will be in increasingly urgent need of more cultivable land, better methods of agriculture, and wider fields of employment, which Jewish enterprise and

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capital can provide. But before the latter can so provide, and before the Arabs will consent to receive, there must be mutual trust and confidence, which can only grow out of a sense of security on the part of each. Political separation would achieve a certain degree of security : but only a federal solution can combine security with co-operation—without which the country will eventually face destitution and anarchy.

### IV. THE BRITISH GOVERNMENT'S PLAN

IT remains to be considered how far, if at all, the British Government have moved towards a federal solution. On February 27 last, when the London Conference was in complete deadlock, the Colonial Secretary produced a tentative outline plan. This document apparently envisaged the emergence of a sovereign independent Palestine after a period of transition, during which Arabs and Jews would be associated in the administration. If this were accepted as a basis, questions concerning immigration, land sales and the safeguarding of minorities would be settled at a subsequent conference. The Arabs' reception was lukewarm : that of the Jews was immediate and downright rejection. The former disliked the period of probation, and more particularly the ambiguity concerning future Jewish immigration and land purchase, while the latter asserted accurately enough that their essential *minima*, parity status and non-crystallisation of the present position of the National Home, had been entirely ignored.

On March 16 the Government made a final effort to reach an agreed settlement by producing a new and detailed scheme. In general shape, this seems to have been not unlike the definitive plan eventually published on May 17,\* after further consultations had taken place in London, Jerusalem and Cairo. After analysing the terms of the mandate—and incidentally repudiating once and for all any intention of making Palestine a Jewish State—the British

\* Cmd. 6019.

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Government declare in the new White Paper that in order best to fulfil those terms they aim at the establishment within ten years of an independent Palestine State, in which Arabs and Jews will share in the government in such a way as to ensure that the essential interests of each community are safeguarded. This consummation will be preceded by a transitional period during which, while the British Government will retain responsibility for the government of the country, the people of Palestine, both Jews and Arabs, will be given an increasing part in it. Certain departments, and eventually all, will be placed in charge of Palestinians, with British advisers. Consideration will then be given to the question of converting the Executive Council into a Council of Ministers. No proposals are made at this stage for the establishment of an elective legislature, though this would be "an appropriate constitutional development". At the end of five years from the restoration of peace and order, a convention representative of the people of Palestine and of His Majesty's Government will consider how the transitional arrangements have worked and how the independent Palestine State may be constituted. During the transitional period, steps will also be taken to increase the powers and responsibilities of municipal corporations and local councils.

With regard to immigration, Jewish hopes have received a heavy blow. If, runs the White Paper, immigration is continued up to the economic absorptive capacity of the country, regardless of all other considerations, a fatal enmity between the two peoples will be perpetuated, and the situation in Palestine may become a permanent source of friction among the peoples of the Near and Middle East. His Majesty's Government have therefore decided that the time has come to adopt in principle the policy of permitting expansion of the National Home by immigration only if the Arabs are prepared to acquiesce in it. They do not propose that immigration should be stopped forthwith, but that, if economic capacity permits, some

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75,000 Jews shall be admitted over the next five years, a figure that would bring the Jewish population up to approximately one-third of the total population of the country. Thereafter, His Majesty's Government do not believe it will be their duty to facilitate further Jewish immigration regardless of Arab wishes. In certain areas, continues the White Paper, there is now no room for further transfers of Arab land, while in some other areas such transfers must be restricted if Arab cultivators are to maintain their existing standard of life and a considerable landless Arab population is not soon to be created. The High Commissioner, therefore, has been given for the transitional period general powers to prohibit and regulate transfers of land.

In this provision, and in the promise to increase the powers and responsibilities of local authorities, lie the only hints that some form of federalism may emerge from this plan, as the way in which the essential interests of each community shall be safeguarded in the independent Palestine State. Save for those hints, the Government would seem to have turned their backs, not only on partition, but indeed on any form of territorial demarcation. This would mean, bluntly, the certain ending of Jewish immigration after five years, the crystallisation of the National Home, and the condemnation of the Jews in Palestine to the status of a mere minority, possessing no self-governing institutions of its own of any real importance. It may not be too late to graft upon the Government's plan a federal scheme in which the control of land sales and immigration would eventually pass to elective provincial governments. The boundaries of the provinces might correspond, generally, with the several areas of unrestricted, restricted and prohibited land transfer now contemplated, indicating respectively a future Jewish province, a future mixed province in the north (and possibly another south of Beersheba in the Negeb), and a future wholly Arab province.

The Jews would thus enjoy the advantages of partition

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without having to defend an indefensible frontier and without impairing the economic unity of the country. They would be free to go on building the National Home : if they allowed too much or too rapid immigration, they themselves would be the first to suffer. Similarly, the Arab province could continue an absolute ban on land sales and immigration. The northern "mixed" province, inhabited by both Jews and Arabs, might be retained for some time as a federal territory, governed directly from the centre. Land sales should probably be prohibited there; for what is available will be badly needed for the rapidly growing Arab population of Galilee. The Jews, however, are contemplating extensive reclamation work in that area and are prepared to set aside a reasonable proportion of all land reclaimed for Arab settlement. After a period of such experience it is difficult to believe that the Arabs there would refuse to join the Jews in working a provincial administration. Finally, there is the desert region in the extreme south known as the Negeb, which is empty save for a few bands of roving Bedouin. The prospects of agricultural development are slight. Out of sixteen wells which have been sunk, only one has revealed usable water. But the Jews are ready to try their fortune. Should they succeed in creating something out of virtually nothing, their enjoyment of it would hurt no one. This area, too, might be governed as a federal territory for a given period or until a certain minimum of population had accumulated.

But that is not the whole story. A complex situation has been further bedevilled by the most extensive *pogrom* that Europe has yet witnessed. Zionism became a menace to peace and roused the Palestinian Arabs to desperate resistance chiefly because, under pressure of an extreme emergency, the Zionist leaders tried to convert a National Home into an international reservoir for fugitive Jewry. If the flow of Jewish immigration into Palestine is to be reduced to a trickle, as seems inevitable, surely sound policy no less than humanity demands that the migratory

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stream be not dammed but diverted. Several possible areas have been mentioned, such as Dominica, Santo Domingo and British Honduras. The most hopeful is undoubtedly British Guiana, a country as large as Great Britain and almost empty beyond the low-lying coastal belt. The upland savannahs offer a temperate and healthy climate and a rich soil suitable for agriculture and cattle-breeding. An Anglo-American commission of inquiry has now reported with qualified optimism on the country's possibilities, recommending an immediate experiment with the group settlement of some 3,000 to 5,000 migrants. His Majesty's Government promptly announced their readiness to co-operate to the full in any such scheme upon which the refugee organisations might decide : lands would be leased on generous terms, administrative machinery provided, and aid given in the construction of arterial communications. If this experiment succeeds, the result will not be Zion ; but in the fullness of time it may well become a self-governing, self-reliant Jewish nation.

### DOCUMENTS : BRITISH PROMISES TO THE ARABS

I. EXTRACTS FROM THE CORRESPONDENCE BETWEEN SIR HENRY McMAHON, H.M. HIGH COMMISSIONER IN CAIRO, AND THE SHERIF HUSSEIN OF MECCA. Cmd. 5957.

No. 1. *From the Sherif of Mecca to Sir Henry McMahon, His Majesty's High Commissioner at Cairo.*

July 14, 1915.

WHEREAS the whole of the Arab nation without any exception have decided in these last years to live, and to accomplish their freedom, and grasp the reins of their administration both in theory and practice ; and whereas they have found and felt that it is to the interest of the Government of Great Britain to support them and aid them to the attainment of their firm and lawful intentions. . . . And whereas it is to their (the Arabs') interest also to prefer the assistance of the Government of Great Britain in consideration of their geographical position and economic interests, and also of the attitude of the above-mentioned Government, which is known to both nations and therefore need not be emphasised ;

For these reasons the Arab nation see fit to limit themselves, as

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time is short, to asking the Government of Great Britain, if it should think fit, for the approval, through her deputy or representative, of the following fundamental propositions, leaving out all things considered secondary in comparison with these, so that it may prepare all means necessary for attaining this noble purpose, until such time as it finds occasion for making the actual negotiations :—

*Firstly.*—England to acknowledge the independence of the Arab countries, bounded on the north by Mersina and Adana up to the 37° of latitude, on which degree fall Birijik, Urfa, Mardin, Midiat, Jezirat (Ibn 'Umar), Amadia, up to the border of Persia; on the east by the borders of Persia up to the Gulf of Basra; on the south by the Indian Ocean, with the exception of the position of Aden to remain as it is; on the west by the Red Sea, the Mediterranean Sea up to Mersina. England to approve of the proclamation of an Arab Khalifate of Islam. . . .

No. 2. *From Sir H. McMahon to the Sherif of Mecca.*

*August 30, 1915.*

WE have the honour to thank you for your frank expressions of the sincerity of your feeling towards England. We rejoice, moreover, that your Highness and your people are of one opinion—that Arab interests are English interests and English Arab. . . . With regard to the questions of limits and boundaries, it would appear to be premature to consume our time in discussing such details in the heat of war, and while, in many portions of them, the Turk is up to now in effective occupation. . . .

No. 3. *From the Sherif of Mecca to Sir H. McMahon.*

*September 9, 1915.*

. . . As the limits and boundaries demanded are not those of one person whom we should satisfy and with whom we should discuss them after the war is over, but our peoples have seen that the life of their new proposal is bound at least by these limits and their word is united on this:

Therefore, they have found it necessary first to discuss this point with the Power in whom they now have their confidence and trust as a final appeal, viz., the illustrious British Empire. . . .

No. 4. *From Sir H. McMahon to the Sherif of Mecca.*

*October 24, 1915.*

. . . I HAVE realised, however, from your last letter that you regard this question as one of vital and urgent importance. I have, therefore, lost no time in informing the Government of Great Britain of the contents of your letter, and it is with great pleasure that I communicate to you on their behalf the following statement, which I am confident you will receive with satisfaction :—

The two districts of Mersina and Alexandretta and portions of Syria lying to the west of the districts of Damascus, Homs, Hama



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and Aleppo cannot be said to be purely Arab, and should be excluded from the limits demanded.

With the above modification, and without prejudice to our existing treaties with Arab chiefs, we accept those limits.

As for those regions lying within those frontiers wherein Great Britain is free to act without detriment to the interests of her ally, France, I am empowered in the name of the Government of Great Britain to give the following assurances and make the following reply to your letter :—

(1) Subject to the above modifications, Great Britain is prepared to recognise and support the independence of the Arabs in all the regions within the limits demanded by the Sherif of Mecca.

(2) Great Britain will guarantee the Holy Places against all external aggression and will recognise their inviolability.

(3) When the situation admits, Great Britain will give to the Arabs her advice and will assist them to establish what may appear to be the most suitable forms of government in those various territories.

(4) On the other hand, it is understood that the Arabs have decided to seek the advice and guidance of Great Britain only, and that such European advisers and officials as may be required for the formation of a sound form of administration will be British.

(5) With regard to the *vilayets* of Bagdad and Basra, the Arabs will recognise that the established position and interests of Great Britain necessitate special administrative arrangements in order to secure these territories from foreign aggression, to promote the welfare of the local populations and to safeguard our mutual economic interests. . . .

No. 5. *From the Sherif of Mecca to Sir H. McMahon.*

November 5, 1915.

1. IN order to facilitate an agreement . . . we renounce our insistence on the inclusion of the *vilayets* of Mersina and Adana in the Arab Kingdom. But the two *vilayets* of Aleppo and Beirut and their sea coasts are purely Arab *vilayets*, and there is no difference between a Moslem and a Christian Arab: they are both descendants of one forefather. . . .

No. 6. *From Sir H. McMahon to the Sherif of Mecca.*

December 14, 1915.

I AM gratified to observe that you agree to the exclusion of the districts of Mersina and Adana from boundaries of the Arab territories. . . . With regard to the *vilayets* of Aleppo and Beirut, the Government of Great Britain have fully understood and taken careful note of your observations, but, as the interests of our ally, France, are involved in them both, the question will require careful consideration

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and a further communication on the subject will be addressed to you in due course.

No. 7. *From the Sherif of Mecca to Sir H. McMahon.*

January 1, 1916.

As regards the northern parts and their coasts, we have already stated in our previous letter what were the utmost possible modifications, and all this was only done so to fulfil those aspirations whose attainment is desired by the will of the Blessed and Supreme God. It is this same feeling and desire which impelled us to avoid what may possibly injure the alliance of Great Britain and France and the agreement made between them during the present wars and calamities; yet we find it our duty that the eminent minister should be sure that, at the first opportunity after this war is finished, we shall ask you (what we avert our eyes from to-day) for what we now leave to France in Beirut and its coasts. . . . It is impossible to allow any derogation that gives France, or any other Power, a span of land in those regions.

II. EXTRACT FROM THE REPORT (DATED MARCH 16, 1939) OF A COMMITTEE SET UP TO CONSIDER THE ABOVE CORRESPONDENCE. Cmd. 5974.

Both the Arab and the United Kingdom representatives have tried (as they hope with success) to understand the point of view of the other party, but they have been unable to reach agreement upon an interpretation of the Correspondence, and they feel obliged to report to the conference accordingly.

The United Kingdom representatives have, however, informed the Arab representatives that the Arab contentions, as explained to the committee, regarding the interpretation of the Correspondence, and especially their contentions relating to the meaning of the phrase "portions of Syria lying to the west of the districts of Damascus, Hama, Homs and Aleppo", have greater force than has appeared hitherto.

Furthermore, the United Kingdom representatives have informed the Arab representatives that they agree that Palestine was included in the area claimed by the Sherif of Mecca in his letter of the 14th July, 1915, and that unless Palestine was excluded from that area later in the Correspondence it must be regarded as having been included in the area in which Great Britain was to recognise and support the independence of the Arabs. They maintain that on a proper construction of the Correspondence Palestine was in fact excluded. But they agree that the language in which its exclusion was expressed was not so specific and unmistakable as it was thought to be at the time. . . . [The report here refers to certain other statements made to Arab leaders during and after the war.] In the opinion of the Committee it is, however, evident from these statements that His Majesty's Government were not free to dispose of Palestine without regard for the wishes and interests of the inhabitants of Palestine, and that these statements

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must all be taken into account in any attempt to estimate the responsibilities which—upon any interpretation of the Correspondence—His Majesty's Government have incurred towards those inhabitants as a result of the Correspondence.

### III. THE HOGARTH MESSAGE.

*The following are the terms of the message which Commander Hogarth was instructed to deliver to King Hussein when he visited Jeddah in January 1918:—*

“(1) The Entente Powers are determined that the Arab race shall be given full opportunity of once again forming a nation in the world. This can only be achieved by the Arabs themselves uniting, and Great Britain and her Allies will pursue a policy with this ultimate unity in view.

“(2) So far as Palestine is concerned we are determined that no people shall be subject to another, but

(a) in view of the fact that there are in Palestine shrines, Wakfs and Holy places, sacred in some cases to Moslems alone, to Jews alone, to Christians alone, and in others to two or all three, and inasmuch as these places are of interest to vast masses of people outside Palestine and Arabia, there must be a special régime to deal with these places approved of by the world.

(b) As regards the Mosque of Omar it shall be considered as a Moslem concern alone and shall not be subjected directly or indirectly to any non-Moslem authority.

“(3) Since the Jewish opinion of the world is in favour of a return of Jews to Palestine and inasmuch as this opinion must remain a constant factor, and further as His Majesty's Government view with favour the realisation of this aspiration, His Majesty's Government are determined that in so far as is compatible with the freedom of the existing population both economic and political, no obstacle should be put in the way of the realisation of this ideal.

“In this connexion the friendship of world Jewry to the Arab cause is equivalent to support in all States where Jews have a political influence. The leaders of the movement are determined to bring about the success of Zionism by friendship and co-operation with the Arabs, and such an offer is not one to be lightly thrown aside.”

### IV. THE DECLARATION TO THE SEVEN ARAB LEADERS (JUNE 1918).

His Majesty's Government have considered the memorial of the seven with the greatest care. . . .

The areas mentioned in the memorandum fall into four categories:—

1. Areas in Arabia which were free and independent before the outbreak of war;

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2. Areas emancipated from Turkish control by the action of the Arabs themselves during the present war;
3. Areas formerly under Ottoman dominion, occupied by the Allied forces during the present war;
4. Areas still under Turkish control.

In regard to the first two categories, His Majesty's Government recognise the complete and sovereign independence of the Arabs inhabiting these areas and support them in their struggle for freedom.

In regard to the areas occupied by Allied forces . . . it is the wish and desire of His Majesty's Government that the future government of these regions should be based upon the principle of the consent of the governed and this policy has and will continue to have the support of His Majesty's Government.

In regard to the areas mentioned in the fourth category, it is the wish and desire of His Majesty's Government that the oppressed peoples of these areas should obtain their freedom and independence and towards the achievement of this object His Majesty's Government continue to labour. . . .

### V. THE ANGLO-FRENCH DECLARATION OF NOVEMBER 7, 1918.

The object aimed at by France and Great Britain in prosecuting in the East the War let loose by the ambition of Germany is the complete and definite emancipation of the peoples so long oppressed by the Turks and the establishment of national governments and administrations deriving their authority from the initiative and free choice of the indigenous populations.

In order to carry out these intentions France and Great Britain are at one in encouraging and assisting the establishment of indigenous governments and administrations in Syria and Mesopotamia, now liberated by the Allies, and in the territories the liberation of which they are engaged in securing and recognising these as soon as they are actually established.

Far from wishing to impose on the populations of these regions any particular institutions, they are only concerned to ensure by their support and by adequate assistance the regular working of governments and administrations freely chosen by the populations themselves. To secure impartial and equal justice for all, to facilitate the economic development of the country by inspiring and encouraging local initiative, to favour the diffusion of education, to put an end to dissensions that have too long been taken advantage of by Turkish policy, such is the policy which the two Allied Governments uphold in the liberated territories.

## “UNION NOW”

### I. THE ONLY WAY

ON the eve of the March crisis, Mr. Clarence Streit, the well-known American journalist, published in England a remarkable book, a book which everyone should read and ponder, *Union Now*.<sup>\*</sup> Though he could not have foreseen the occasion, he offered, for the disease of which those events were but a symptom, a truly heroic remedy. For in *Union Now* he urges that the democracies of the West—fifteen by his count—should immediately merge their sovereignties into a single State. Thus and only thus, he claims, can war be eliminated, peace set upon a sure footing, and those conditions established under which the pressing economic problems of the world can be faced and solved.

Mr. Streit's case rests essentially upon the argument, not merely that such an international merger *would* eliminate the war menace, but also that nothing else can. The alternatives that he considers are the method of conference and conciliation, the method of universal collective security, the method of regional pacts, the method of alliances and the method of isolationism, or each for himself. Mr. Streit contends, with all his experience at Geneva and elsewhere to prove him right, that none of these will do. His showing-up of isolationism is addressed, of course, mainly to his own countrymen in the United States; for in crowded Europe or on its edge the doctrine of each-country-for-itself plainly offers no hope of refuge from the peril of war. Mr. Streit has only to point to the record of American laws, diplomacy, and armaments in the past half-dozen years to show the break-down of isolationism in practice,

<sup>\*</sup> Jonathan Cape. 10s. 6d.

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in the mightiest of all great Powers, the farthest removed from immediate threats of war. No nation, however strong—not even the whole British Commonwealth in concert—is able by itself to uphold its own rights for certain, and to live in such security that it can solve its economic problems and let its people consume the fruits of progress. Even if it suffers no aggression, it must be ever weighed down by armaments. It must remain prisoner of a world economic disorder which it can do little or nothing to remedy.

The method of non-resistance, with which Mr. Streit does not deal at length, may perhaps be held to be included in the method of conference. The direct attack on the use of force between nations, by way of a conference to limit the means of acting by force, has manifestly failed; “for both haves and have-nots preferred even the unlimited risks of war to the risk to their holdings or their dreams which they saw in disarmament”. What, then, of the indirect attack on the use of force, by way of a conference to consider how adjustments that could otherwise be made only by war may be made by peaceful means? As Mr. Streit more than once points out, even if this method were to succeed, to the point of giving the so-called have-not Powers all that they now demand, we should be not one step nearer to permanent peace.

Even if all Germany's colonies were restored, and the Polish Corridor, Alsace-Lorraine and everything else, why should that decrease instead of increase the war danger? When Germany had all that in 1914, and Britain was trying to soothe her with half of Portugal's colonies, Germany was demanding only more imperiously than now “a place in the sun”.

The subjection of Czechoslovakia and Albania rammed home this argument of Mr. Streit's. The ambition of the lawless States is plainly an appetite that grows by what it feeds on.

The method of all-round collective security, the method of the League Covenant, has had a devoted following in the

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English-speaking world, and Mr. Streit spends a great deal of effort in demolishing its claims. But the task is not half as difficult now as he might have found it a few years ago. For the actuality of aggression by great Powers has brought home to everyone two fundamental facts about collective security: first, that it implies a liability on each member-nation to go to war, not by its own free decision, but upon the occurring of events beyond its control and perhaps not otherwise likely to involve it in war; secondly, that it requires preparation for war with allies, war to be instantly joined according to prearranged plans such as alone will give assurance of unity in purpose and action. Because of the first fact, automatic and universal collective security clashes head-on with democratic free-will in a world of sovereign States. Because of the second, practical collective security clashes head-on with its own theoretical principles. For if there are to be plans for allied action in the event of a collective war, they must cover all the contingencies that might arise. The *reductio ad absurdum* of this is a schedule of permutations and combinations of possible aggressors among all the seventy-odd members and non-members of the League, with a corresponding schedule of alliances to be worked out in military terms.

But there is no need to carry the logic to this extreme. The regional (or otherwise limited) mutual-assistance pact reproduces the collective-security problem in miniature. The value of the Locarno pact of guarantee was immensely reduced, as the soldiers and sailors and airmen who would have had to carry it out always perceived, by the fact that its mutual character forbade them to make any plans for action. Only after Germany had violated the pact in 1936 could the staff conversations that were needed to make it a reality take place between Great Britain and France.

In brief, if collective security—universal or regional—is less than an alliance it is ineffective in deterring or defeating aggression; while if it becomes an alliance it ceases to be collective, in the sense of mutuality. It becomes merely a

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“defensive” camp arming and planning against an “offensive” camp.

Mr. Streit goes on to argue that in a grand alliance among the democratic Powers lies no hope of permanently banning war from the world. The alliance cannot be large enough and at the same time cohesive enough to present for ever an overwhelming threat of retribution to potential aggressors.

Though possible as a temporary stopgap an alliance, as a permanent organisation, has never been achieved and is practically impossible to achieve among as many as fifteen states. The fact that the states are democracies makes a permanent alliance among them not less but more impractical and inconceivable. For the more democratic a state is, then the more its government is dependent on public opinion and the more its people are loath to be entangled automatically in the wars of governments over which they have not even the control a league gives, and the more its foreign policy is subject to change. But the more all this is true of a state the harder it is either for it to enter an alliance or for its allies to trust it if it does.

Mr. Streit rightly lays stress on the inherent failing of democracy when combined with jealous national sovereignty. “The dictators are right”, he says, “when they blame the democracies for the world’s condition, but they are wrong when they blame it on democracy. The anarchy comes from the refusal of the democracies to renounce enough of their national sovereignty to let effective world law and order be set up.”

The result has been that democracy itself has been slowly going under. Italy and Germany are to be regarded, in Mr. Streit’s view, as early casualties. “They are not the source of the danger our whole species now faces, they are only its first victims.” National sovereignty has already destroyed political freedom in many of the smaller and weaker nations, with but shallow traditions of democracy to draw upon. It is now taking toll in the great and well-founded democracies. Amid international anarchy, the state must be paramount, internally and externally, and as the state is glorified so freedom perishes. The very effort to defend our freedom by arms, alliances and preparations for war must needs make that freedom less.



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Recognising this, many people in the democratic countries have turned in hope once more to the method of the League to limit national sovereignty and stave off war. Here Mr. Streit brings to the aid of his theme an immensely powerful battery in the shape of American experience after the war of independence. At first, the thirteen states formed a “League of Friendship” in which each retained its sovereignty. By 1787, when the constitutional convention met at Philadelphia, the League was in chaos because it had no adequate central government or authority. Commerce was stagnant for want of security and confidence. Disputes over trade and territory were on the verge of setting the several states at war among themselves. “War with Spain threatened to break the League of Friendship into two camps. The League could not coerce its members. Threats of withdrawal from it were common.” It was amid this disarray that Alexander Hamilton, with Madison and Jay, preached in the *Federalist* the gospel of union among the thirteen states, and conquered his opponents by the unanswerable logic of his theme. The strength and vigour that federal union gave to the thirteen American democracies are for all to see.

Not without reason Mr. Streit likens the Geneva League to that abortive League of Friendship, and its present breakdown to the chaos that faced the Philadelphia convention, though he admits that its failure has not been so complete as that of its American prototype.

The League’s “internationalism” is often contrasted with pre-war nationalism as if it were at the other pole. It is really an extension of the same principle. The basic principle of the pre-war system was national sovereignty: its unit for making, enforcing, interpreting and revising agreement was the state, its equality was the equality of these units, its procedure required their unanimous consent and its highest aim was to keep each state sovereign. The drafters of the Covenant, far from rejecting this, sought to legalise and crystallise it all by converting it from the unwritten to the solemnly signed. They enthroned the pre-war principle in the League and contented themselves with patching the pre-war application of it.

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No doubt that was inevitable. Mr. Streit himself admits that the method of league had to be tried and found wanting before the method of union could be seen to be necessary. The league method can neither make and revise law between nations, nor interpret and enforce it. The league method cannot prevent war, because it cannot do justice when justice conflicts with sovereignty, and because it leaves war as the ultimate instrument of international policy. It cannot bring about disarmament because it depends on the national armaments of its subscribing members, and bids them fend for themselves until the aid of the league can be organised and brought to their succour. It cannot solve world economic problems, any more than it can solve world political problems, because it leaves national sovereignty intact. This is Mr. Streit's diagnosis, and his cure is the cure that Hamilton urged upon the people of the disunited states—federal union.

There is indeed no other cure. If Mr. Streit has done nothing else, he has directed men's minds to the fundamental need in world politics at a time when they are all too likely to be distracted by the immediate and superficial needs. Civilisation, as he points out, has worked miracles in enslaving nature, but has done little or nothing towards freeing itself from the slavery of its own disorders. In the political sphere it is shackled by national sovereignty; and the only way of breaking national sovereignty is to build a unit wider than the nation, a unit which will eventually embrace the whole world. In *The Commonwealth of God* Mr. Lionel Curtis showed how history and religion pointed down that same path. It is one of the great merits of Mr. Streit's book that he translates the general theme into a concrete plan, which he presents, not for the indefinite hereafter, but for our own generation, *now*. His courage will expose him to many critics, who will seize upon faulty details of his draft constitution as proof that the whole idea is impracticable. But the constitutional details are entirely unimportant at this stage: it will be time enough to tackle

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them if and when a constitutional convention for Union is summoned. What precise form Union might take it is impossible to foresee. Its construction will need the combined political wisdom and experience of the civilised world—not only the experience of the United States, on which Mr. Streit draws too exclusively for his model, but also that of the British Commonwealth, the Swiss cantonal system and other forms of political architecture. Maybe an altogether new type of governmental apparatus will have to be invented. The essential need at the moment is that world opinion should be brought to see that without some form of Union our civilisation is doomed to frustration on the political plane; and to see, moreover, that Union is a practical idea, as practical an idea as television was a generation ago.

Mr. Streit's concrete proposal, with all its defects, throws the whole concept from the dream-clouds into the arena of practical argument. If people get to the point of contending that Union will not work like *this*, they are not far from believing that it will work like *that*. It is in this spirit that THE ROUND TABLE adds some comments upon Mr. Streit's proposal.

### II. THE MEMBERSHIP OF UNION

THE plan is that the countries entering the Union should hand over to federal authority without reserve certain of their sovereign powers, including in the economic field the regulation of tariffs, currency and immigration, and in the political field the raising of armed forces, the conduct of diplomacy and the making of treaties, and the decision upon peace and war. In his proposed Union Mr. Streit includes the United States and the six fully self-governing nations of the British Commonwealth, four Scandinavian countries, France, the Low Countries and Switzerland. Why these? Though they are scattered over the globe, they are geographically united by the fact that all of them

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(with the exception of Switzerland, which there are obvious reasons for including) are maritime Powers which have sought their destiny on the high seas; with three exceptions they all have coasts upon the great open oceans, including therewith the North Sea. Not only have they the means of coming to each other's assistance; they look upon world affairs with the same eyes. "A government that bases itself on a continent or sea limits its possibilities of expansion, but a government that is based on the ocean is headed straight toward universality." It is plainly necessary, too, that all the members of a democratic union should themselves be democracies. The test of democracy, however, is not the universal franchise or any particular set of elective institutions, but the question whether there exists freedom of utterance, equality of all before the law, and some means of letting the popular will, freely expressed, control the national policy.

This question of the initial membership is of very great importance, not only because it would determine the character of the Union from thenceforth, but also because vested interests would instantly arise, both within and beyond its borders, against the inclusion of new members. Moreover, the excluded countries might move into other camps. Discussing the various alternative lists of initial membership—for instance the English-speaking nations only—Mr. Streit uses these words :

Among the grave defects of a single language are these : it gives the nucleus an offensive air of exclusivity. It tends to falsify and limit the basic democratic principles of equality and freedom, to alarm the old and powerful democracies it excludes, and to encourage hostile combinations.

This is very true, but surely none the less true of a single colour or race than of a single language (though admittedly none of the non-white nations is yet very old or very powerful as a democracy). Although British India is not yet a sovereign nation, nor has she democratic control over foreign policy, defence and certain other matters, yet

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she ought to be considered as a possible founder-member of Union, in which, indeed, no member would control its own separate foreign policy or defence. Alternatively, India, with any other British country approaching self-government, might retain the same relations with the Union as she now possesses with the British Empire. If it started with any taint of racial or colour exclusiveness, the Union—as the greatest imperialism ever known—might be bitterly suspect among the rising peoples of Africa and Asia.

In facing the problem of India, Mr. Streit is frankly baffled by the difficulty of including a nation of 400 million people on the basis of equal votes for all citizens in the federal elections. But the problem would be solved in practice by the backwardness of the Indian masses, since a simple test of literacy (such as any civilised union might be expected to impose) would exclude the great majority of the 400 millions. Nor is there any reason to suppose that if India formed part of a federal union her votes would all go one way.

There is another problem, of equal importance, in connection with the membership of the Union. Its nature excludes from it all the totalitarian States, so long as they remain totalitarian. Put forward at this moment, the proposal is liable to be taken as a mere plan to frustrate any attempt by the dictators to pursue their ambitions in Europe and elsewhere. One of Mr. Streit's most forcibly pressed arguments, indeed, is that Union would replace a precarious balance of power by a durable “unbalance of power”, in which the democracies would have an assured preponderance over the countries of the Triangle. But he also makes plain that it is not the permanent nature of Union to be ranked against anybody. Its membership, as Mr. Streit urges, should be open to all countries fitted for it by their character and constitution. The prosperity, freedom, safety and happiness of its citizens might well prove an inspiration to the citizens of totalitarian States to throw off the chains of dictatorship and militarism.

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In the meantime, however, the project of Union has to be judged in face of a situation of the utmost danger, in which the majority of its potential members are abused, envied and threatened by certain of the countries that would be excluded. The retort at present devised to those threats is something very different from democratic Union. Not only is it a much less close combination of States, by way of alliance or defensive guarantee; it is furthermore a combination of democracies with non-democratic States. The greatest of these anti-aggressive dictatorships is of course Soviet Russia, but there are others too: Poland, Greece, Rumania, Turkey, to name only those which Britain has recently undertaken to defend. It is an open question whether a democratic Union in which the preponderant weight was non-European would wish to pledge itself to defend dictatorships in Europe. Looked upon in the light of to-day's strategic needs, the project of Union is an offer, coming from the only quarter from which such an offer could reasonably come, to replace a certain non-ideological camp by an ideological merger—in a word, to make up for a possible weakening of the present "peace front" by casting America into the balance. The time-table of urgencies, from which we cannot escape, compels us to look at the project in this way, and it passes muster. Nevertheless, the real problem in international affairs, which Union is designed to solve, is not how to defeat aggression, but how to prevent anarchy.

### III. THE SUICIDE OF SOVEREIGNTY

LIKEWISE, on the economic plane, the aim of Union is not simply to reduce unemployment or increase profits or raise wages, but to end that international anarchy under which economic problems that are inherently world-wide can be tackled by no one, since no one has the power to decide upon and carry out the necessary solutions. Too often, national attempts to solve them mean beggar-my-

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neighbour, and make the basic problem worse. Union by itself would not cure unemployment, which could as readily continue under a régime of free trade between the Union's members as it can under a régime of national protection. Neither the size nor the internal security of the huge area of free trade and mobile capital and labour in the United States has saved that country from worse unemployment than much smaller economies. What Union could do—what Union alone could do—is to remove or greatly to reduce certain obstacles to a deep-going attempt to tackle unemployment and kindred problems—obstacles like the uncontrollable ebb and flow of “hot money” from capital to capital, the weakness of business confidence in face of the threat of war, or the existence of artificial barriers to the international movement of labour and long-term capital.

Mr. Streit indeed does his theme no service by claiming too much for it, as occasionally he tends to do in the economic sphere. Union can come about only as a result of frankly facing difficulties, the greatest of which are the “vested interests” of the present scheme of things that would suffer by the breaking down of centuries-old ring-fences built round national economic and political systems. Vested interests are not always bloated and evil, and their unregulated overthrow may cause more trouble and distress than their perpetuation. For example, the old-established industrial areas of Great Britain, founded on shipping and export industries, had a vested interest in liberal world trade and particularly in British free trade: the overthrow of that traditional system produced the distressed areas. Similarly, distressed areas in other zones might be produced by the overthrow of the existing system of national tariffs among the prospective members of the Union, unless that action were accompanied by a constructive plan for softening the blow and transferring labour and capital from the old industries to new ones. It is not too soon to be mapping out the broad nature of such

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a plan, which might well include a gradual transition to free trade over a long period of years; for, if no antidote to dislocation is worked out and adopted, Union may fail for reasons much smaller in themselves than those which make it the only ultimate issue from our present afflictions.

The lesson of twenty years since the world war is that a complex of unmitigated national sovereignties is inherently unstable. That was always so, indeed, but modern science has made the consequences far more terrible than ever, and modern means of communication have meant that a disturbance anywhere, instead of sending but a faint tremor beyond its immediate quarter, may shatter the whole fabric. This inherent instability of the system of sovereign States is not unlike the inherent instability that Karl Marx attributed to the capitalist system. What he failed to foresee was that national sentiment would quite outweigh class interest in the motivation of the mass mind. The bulk of the German wage-earners, looking out upon the world at large, think as Germans, national citizens, not as "workers of the world"; and the same is true of British, American, French, perhaps even Russian workers. Having diagnosed the collapse of capitalism as inevitable, Marx prescribed the world revolution as necessary. If we now diagnose the inevitable collapse of the system of unmitigated national sovereignties, through its inherent tendency to war and self-destruction, what of the method whereby that end may be brought about? It will surely come in one or other of two ways: totalitarian empire, or democratic union. The first corresponds to the Marxian world revolution—the surgery of violence, followed by the dictatorship of a section. The second corresponds to the democratic socialisation which since Marx's day has indefinitely postponed the revolution in the west by combining greater wealth all round with a fairer distribution of community income.

What we have been seeing in Europe and Asia since 1931 has been the method of empire warring against national



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sovereignty. By its energy it has forestalled the rival method of union. To many minds the imperialist method is an attractive one, and the peoples may be driven to accept it unless they have the courage to demand the alternative. But imperialism in its turn is inherently unstable; for it cannot retain for ever the strength and will-power to repress minorities; they will eventually reassert their national sovereignties, either by revolt and war (as in the breakdown of the Austro-Hungarian Empire), or else by peaceful devolution (as in the life-story of the British Commonwealth), thus restoring the ancient anarchy. Hence an irresistible logic points to democratic union, not as a mere figment of theory, but as in the end the only practical way out. The vital issue at the moment is not whether Union should have this or that constitutional shape, or this or that economic policy, but a far more general question: how long will the peoples of the western world endure the present order of things? How much more war and suffering are to be gone through before the dream becomes a fact? Union is not practical now, if by “now” we imply the immediate calling of a constitutional convention and the entering into force of its product within a few years; but it is practical now, if by “now” we mean that men and women all over the world can to-day begin training their thoughts to the belief that in some form Union must come, and to the pursuit of the best and surest means of bringing it to birth.

## GERMANY'S EASTERN NEIGHBOURS

### I. GREAT POWERS AND SMALL

THE present enduring international crisis appears to different nations in different lights. For Great Britain (and for the United States), it is caused by the need to resist an attempt to dominate the world by force: for Germany, the root lies in a greedy encirclement designed to restrict that country's *Lebensraum*. For a large section of British opinion, it involves an ideological struggle—a stand for freedom against “fascism”. For the inspired totalitarian organs of opinion it implies a democratic conspiracy against the “Dynamic Powers”, or “Young Nations”. But, for the countries involved as potential victims or allies in a possible struggle between the great Powers, the issue presents itself realistically. Wherever their sympathies may lie, their political problem is how to safeguard their bare existence as sovereign national States. Those most intimately involved are Poland, Rumania, Yugoslavia, Hungary and incidentally Slovakia; that is to say, Germany's immediate neighbours and the immediate neighbour of Germany's third ally, Hungary. The attitude of Bulgaria and the other countries of the Balkan Entente has not yet had to be defined to the same extent as that of the countries commonly accepted as “threatened”.

All these countries, between the crisis of September 1938 and the recent change in British foreign policy, tried to do little more than avoid complications. They seemed to hope that by adopting a neutral attitude and making no public declarations susceptible of being interpreted by the “Dynamic Powers” as irritating, provocative, or displaying

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too much affection for the western Powers, they might escape the wrath to come and not fall victims to the expansionist aims of the Axis. Some clearly hoped even to profit economically by those aims.

### II. POLAND

THE crisis of September 1938 found Poland still pursuing a policy of understanding with Germany, while keeping good relations with Soviet Russia. On the constructive side, her policy appeared to aim at the establishment of a sort of *cordon sanitaire* of neutral States reaching from the Baltic to the Black Sea—consisting therefore of Poland, Hungary and Rumania, with the possible adhesion of the Baltic States. At the peak of the crisis, her one aim seemed to be to profit by the difficulties of Czechoslovakia: pursuing this aim, she took possession of the Teschen and Karwin mining districts in Moravian Silesia, as well as the important railway centre of Bohumin or Oderberg. Nobody could say that she had much ethnical claim to the districts, which contain, apart from Czechs and Poles, some German minorities.

The crisis once over, however, Poland found herself faced with a new problem threatening her political integrity. Slovakia, and with it Sub-Carpathian Russia, had come under German domination. Sub-Carpathian Russia had for years been considered the breeding-place of Ukrainian propaganda, and the focal point of intrigue on behalf of a future Ukrainian State which would include south-eastern Poland as well as the Russian Ukraine. There were plenty of symptoms to show that the idea of creating such a State had German approval, to say the least; and it was freely alleged that this might be the next step in German expansion eastwards. German money and German agents were reported to be at work in Sub-Carpathian Russia; the Hetman Skoropadsky, whom the Germans had instated as ruler of Ukraine after the treaty of Brest-Litovsk, was still



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living in Berlin; the Vienna radio transmitter, together with those acquired by the Germans in the ceded areas of Czechoslovakia, took to broadcasting propaganda in support of Ukrainian autonomy. The almost immediate result of this was that the Ukrainian party tabled an Autonomy Bill in the Sejm, the Polish Parliament. It is small wonder that Poland began to raise her voice in support of Hungary's claims to Sub-Carpathian Russia, which she had lost by the treaty of Trianon in 1919. Both in Hungary and in Poland, an almost mystical value was attached to the achievement of the common frontier between "brother peoples".

More important than this, however, as an effect of Germany's stronger position and her obvious desire for expansion, was the renewal of Poland's non-aggression pact of 1932 with Soviet Russia, and the attainment of a new, if rather informal, "friendly agreement" of the two countries to live together as good neighbours. On Soviet Russia's side, this was probably inspired as much by her own dislike of the idea of a German-sponsored Ukraine as by Polish fears. On Poland's side, it was a revolutionary turn of policy, considering that, shortly before the September crisis, there had been well-authenticated rumours, mostly from German sources, of her possible adhesion to the Anti-Comintern Pact.

That was in November 1938. In March 1939 the Ukrainian bugbear was suddenly scotched by Germany's own policy. With Germany's consent, Hungary took possession of Sub-Carpathian Russia, and, amid much official rejoicing, established the common frontier between the "brother-nations" of Magyar and Pole. The world, which saw little humorous in the happenings of those days, could at any rate chuckle at the picture of German-subsidised Ukrainian "nationalist guards" being engaged in battle by the allies of Germany.

Meanwhile, a campaign of growing intensity had been developed in the German press denouncing the Polish

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treatment of Germans in Poland and alleging incidents of Polish oppression. This campaign became louder still after the German occupation of Memel. The situation appeared really dangerous when reports appeared of German troop movements on the Polish frontier. The Polish Government took the precaution of mobilising a number of men, and of moving troops to their positions in the west. At the same time, it left the Polish public in not the slightest doubt that their country was threatened, and there began a nation-wide movement towards unity and co-operation in the cause of national defence. Party differences were sunk to an extent extraordinary in Poland's post-war history. M. Witos, the Peasant party leader, returned from exile and suffered only a nominal term of imprisonment. Ukrainians and even Germans were reported as having subscribed to the national defence loan. At the height of the crisis came the British guarantee to Poland, and immediately afterwards, in spite of German threats, Colonel Beck paid his historic visit to London and concluded the Anglo-Polish agreement.\*

The result, of course, was fresh outbursts in the German press, both against Poland and against the "encirclement" policy that Germany regarded as implied in the agreement. Then came Herr Hitler's denunciation of the German-Polish agreement of 1934. The effect of both the Anglo-Polish agreement and the German attitude towards Poland was amply conveyed by Colonel Beck's famous speech to the Sejm on May 5. One thing is particularly worth noting in that speech—the absence of any reference to the Soviet Government or to the possibility of extending the system of guarantees against aggression to include the U.S.S.R. It was natural, indeed, that Poland should hesitate to go into the matter on the day after M. Litvinoff had been dismissed. M. Litvinoff was the Foreign Commissar under whom the non-aggression agreement of 1932 had been negotiated,

\* For the terms of the guarantee and the subsequent mutual agreement, see below, pp. 604-5.

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and friendly relations renewed in November 1938. The mistrust of Soviet Russia and of communism that prevails in Poland is deep-rooted and tenacious. For Poland there are very grave implications in the suggestion of an agreement envisaging military help to her from Soviet Russia. In addition, there has always been at the back of Polish minds the fear, dating back to the treaty of Rapallo and the contacts maintained by the German and Russian general staffs, of possible German-Russian co-operation against Poland. Superficially, the slowness of the progress towards Poland's acceptance of Soviet help may look like Polish suicide; but to observers on the spot even the speed attained has been a matter for surprise, so great are the historic and psychological obstacles to be overcome.

On the whole, of all the European countries affected by the recent British change of policy, Poland is the one that has most radically transformed her own policy in the past few months, and that has been most responsive to the British guarantee. She has openly taken up a position of resistance to German threats and of association with Great Britain and France. There are two main reasons for this. One is that Poland feels that she is probably the next on the list and the most immediate victim of Herr Hitler's wrath. The Danzig and Corridor questions, which Germany had allowed to slumber quietly since 1934, have come very vigorously to life, and at the moment form the acutest problem in European politics. But the chief ground for Poland's new attitude is that she feels herself strong enough to adopt it. Her size, her pride in her army, and her belief in her own powers of united resistance, make her the one country left in eastern Europe that is strategically and politically capable of standing out against Germany.

### III. RUMANIA

UP to the crisis of September 1938, Rumania, as a member of the Little Entente, was definitely associated with the western Powers through the French system of

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alliances. That crisis dissolved the Little Entente, and Rumania found herself in a position where only a "neutral" attitude promised any security.

Internally, she was none too stable. She had not yet completed the first year of a new régime consisting of a royal dictatorship aided by martial law, and implying a thorough reconstruction of her administrative machinery (which not even her friends would have claimed was anything better than rotten), and the suppression or conversion of the old political parties. The most important of these parties were the Iron Guard, a fascist revolutionary body led by the exalted fanatic Codreanu, and the National Peasants, who possessed substantial support in the country, although, thanks to the peculiarities of the Rumanian elections, they had of recent years held but a small number of seats in parliament. In the effort to create a substitute for these parties that might attract the loyalties of the people, the Government propagated a Front of the National Renaissance. Membership of this party was obligatory, or virtually so, yet it has not made much progress. It is something of a joke in responsible circles; and it contains a certain proportion of irreconcilable Iron Guards whom everyone supposes to be biding their time, though they are "under observation" by the Front itself.

Whatever the stability of this régime, it was, to begin with, ideologically of a kind to attract the approval of Germany. German and Italian propaganda, moreover, was active in the country, and the Axis countries were clearly spending considerable sums of money there. The public declarations of King Carol's Ministers were as non-committal as might be. A large proportion of the officers of the army, who are a permanently under-paid and discontented class, loaded with the extra financial burden of more uniforms than seem necessary to members of the defence forces of western countries, were reported to be strongly sympathetic towards Germany, and some of them to have contact with the fascist Iron Guard.



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The Iron Guard leader, Codreanu, was despatched a few days after King Carol had returned from a visit to London and, on the return journey, to Berlin. As regards internal politics, this show of force is reported on the one hand to have broken the revolutionary ardour of the Iron Guard; on the other hand, to have driven what was left of it into permanent underground opposition. As regards the foreign political results, the deed led to a violent German press campaign directed against the person of King Carol.

There was, however, up to March 1939, no apparent direct threat to the political integrity of the country. Rumania, apart from trying to avoid trouble in public pronouncements, pursued a policy in harmony with that apparently aimed at by Poland, that is to say, the establishment of a *cordon sanitaire* of neutral States. This, however, is not as easy as it sounds. Rumania possesses, in Transylvania, territory that is the object of Hungarian revisionist claims; in the Dobrudja, areas claimed by Bulgaria; and in her north-eastern province of Bessarabia, between the rivers Prut and Dniester, an area which, though the subject of an implied agreement between Rumania and Soviet Russia, might come into the market again at any moment as Russian *terra irredenta*—or so Rumanian opinion generally believes. There are at present no signs of its doing so. But the province is largely Russian, and the question looms in the background as one of the great obstacles to Rumanian approval of an anti-aggression system that would bring in Soviet Russia as a guarantor Power, and therefore presumably authorise her to send military forces into Rumanian territory.

Rumania built hopes on the possibility of inducing Bulgaria to become a member of the Balkan Entente. In this connection, the encouraging communiqué issued after the March meeting of the Balkan Entente in Bucarest had some importance. It has, however, been cancelled out by a statement of Bulgaria's revisionist claims, made in the Bulgarian Parliament on April 20 by M. Kiosseivanoff.

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He is reported as having laid claim to the Dobrudja and an outlet to the Ægean, but no more. This means that all the weight of Bulgaria's claim falls on Rumania and Greece : Yugoslavia, who possesses Bulgarian *terra irredenta* in Macedonia, is acquitted. This question obviously creates great difficulties in connection with the British guarantee of Rumania, though the later British agreement with Turkey encourages the hope, not only that the question will not provoke a crisis, but even that it may be permanently solved.

The threat to Rumania that called forth the British guarantee took the form of Hungarian troop movements, accompanied by the usual crop of alarmist rumours, which are used so ably by German propaganda in the pursuit of Germany's aims. Rumania mobilised, and in that position of tension she concluded the notorious trade treaty with Germany. This treaty was hailed in the British press as having made of Rumania an Axis Power. In point of fact, it did not go so far, and the extension of the British guarantee to Rumania established fairly clearly that Rumania could not be considered as directly associated with the Axis, though she is still hopeful of being able to make the best of both worlds. The Anglo-Rumanian trade agreement of May 11, too, has a political significance, in addition to the economic aid that it brings to the country. The guaranteed purchase of Rumanian wheat, in particular, goes some way to offset the political effect of the German agreement.

Rumania's position is rather difficult to define. The British guarantee is designed to preserve her from aggression. Aggression could come on the score of Transylvania, which the Hungarians want, or of the Dobrudja, which Bulgaria demands. Another form of aggression might indeed be German, aimed at the possession of Rumania's oil supplies. Such aggression would surely take place only if Germany were already carrying on a war elsewhere and needed more supplies than Rumania was willing to sell to

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her under diplomatic pressure from the German side and counter-pressure from the western Powers.

In peace time, Rumania is, indeed, diplomatically reinforced by the guarantee. In the event of war, however, the effective military implementing of the guarantee by a British expeditionary force is not easy to conceive—especially since the conclusion of a military accord between Germany and Italy. The Rumanian army being in its present state, mere military pressure on the western front would not be enough to prevent an almost immediate military defeat of Rumania by Germany. To a great extent, the military position of Rumania as a guaranteed Power would depend on the adherence of Soviet Russia to the system of guarantee. In spite of the problem of Bessarabia, and in spite of the poor means of transport, there is little doubt that Russian military help would be accepted in a crisis in which Rumania found herself threatened by Germany.

In the event of a war not involving Rumania immediately, such as a war over Poland, there would be considerable advantage to Germany in regarding Rumania as neutral—provided that Germany was satisfied with such supplies of oil and other material as Rumania was willing, or under diplomatic pressure was forced, to send to feed the German war machine. If Germany considered herself not adequately supplied, she would presumably undertake the occupation of Rumania. This could be affected all the more easily by involving Hungary, who has large and dissatisfied minorities in Rumania; by utilising such Germanophile elements among the Rumanians themselves as the Iron Guard; and by stirring up the important German minorities in Rumania, who have been there for centuries, but who have nevertheless been organised by the Nazi régime to do the bidding of their Fatherland.

## HUNGARY

### IV. HUNGARY

**H**UNGARY, though a State of Germanophobe leanings both by her traditions and by temperament, is now closely associated with Germany. She is a signatory of the Anti-Comintern Pact, and, under German and Italian pressure, has recently performed the gesture of leaving the League of Nations. She is a revisionist Power, who has had everything to gain by securing the support of Germany. She has thereby obtained the return of the principal Magyar-inhabited districts of the former northern Hungary, and she has also recovered the whole of Ruthenia, or Sub-Carpathian Russia. Her other revisionist claims extend to the Burgenland, which is now part of the Greater German Reich, and therefore may be excluded as well and truly lost; Transylvania, which has been discussed above; and the fringe of Yugoslavia. On paper she also has a claim to more of Slovakia; the districts that she might claim, however, though riddled with Hungarian sentimental traditions, contain important German minorities, and Hungarian statesmen at heart are none too keen on laying claim to them.

Internally, Hungary is beset by parties of the extreme Right with creeds resembling that of the Nazi party in Germany; she has important German minorities in her own territory, to which she has recently had to make concessions; she has been presented with a number of very ticklish problems in northern Hungary, where the transfer from Czechoslovakian to Hungarian sovereignty has caused a certain amount of economic distress; she is in the throes of legislation leading towards an agrarian reform; and she has just passed anti-Semitic laws which do not really receive the approval of the nation.

Hungary is valuable to Germany as a producer of agrarian products. She is, indeed, largely bound to Germany in this respect; and she has been under pressure to conclude with the Reich an agreement based on

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long-term contracts for her grain and cattle exports. Her latest pronouncement on her biggest revisionist claim, that of Transylvania, is full of sweet reasonableness: though not exactly renouncing her claim, she has proclaimed her willingness to come to terms with Rumania on the basis of minority guarantees. This statement was made by Count Csáky on his return, with the Prime Minister, Count Teleki, from consultations in Rome and Berlin: it is difficult not to assume that the conciliatory attitude was the outcome of those consultations. It is true that it corresponds temporarily with the wishes of those in command in Hungary, who have quite enough to do in assimilating their recent acquisitions without embarking just yet on fresh demands. Hungary, however, is militarily weak, and incapable of acting independently of Germany or Italy; it is undoubtedly to Germany's advantage that Hungary for the moment should make no claim on Rumania. In her relations with Yugoslavia, Hungary's attitude has been largely determined by Italian initiative.

### V. YUGOSLAVIA

PERHAPS the main principle of Yugoslavia's policy can be summed up in the phrase, "the Balkans for the Balkan peoples". The first step towards the realisation of that idea was the formation of the Balkan Entente: the next, the solution of the Macedonian question, which had caused so much blood to flow, by means of the pact of 1937 with Bulgaria. Since that pact, either by direct negotiation or through the mediation of Turkey, efforts have been repeatedly made to include Bulgaria in the Balkan Entente. Although Bulgaria is prevented from adhering by her revisionist claims, by the pact of Salonika she was liberated from the disarmament clauses of the treaty of Neuilly, and in return agreed that she and the Balkan Entente countries would "assume the obligation to abstain in their mutual relations from any recourse to

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force". After the crisis of September 1938, and the collapse of the French system of alliances, this "Balkans for the Balkan peoples" policy had the virtue of implying for Yugoslavia an assured neutrality, and not necessitating any *prise de position* for or against the totalitarian States, or, for that matter, for or against the western democracies.

The second principle of Yugoslavia's policy is embodied in the friendship pact of 1937 with Italy. This was a revolutionary document when it was signed; for the population of Yugoslavia heartily detested everything Italian, and the bad feeling created by Italian claims to Dalmatia after the war had never evaporated. The pact assumed even greater importance after the *Anschluss* and the arrival of Germany on the frontier of Slovenia. In the light of the reported German drive to the Adriatic, the preservation of good Yugoslav-Italian relations was assumed to have some virtue in helping to play off Italy against Germany, to the advantage of Yugoslavia. The improvement of relations with Italy went so far that on Italian initiative Hungary was induced virtually to abandon revisionist claims on Yugoslavia—and this in spite of the fact that for years Italy had been the sponsor of Hungarian revisionist claims in general. It seems, indeed, that Italy has not pursued a policy completely subservient to Germany in this part of the world; during the recent visit of M. Markovitch to Venice, it was reported that Italy was urging the idea of a Yugoslav-Hungarian pact of friendship.

A motive that undoubtedly plays an important part in determining Yugoslavia's policy, though there is little information about it, is her purely military position. Although the human material at her disposal—Serbs, Croats, Bosnians, Montenegrins and Macedonians—is acknowledged to be of first-class quality, the equipment of the army is reported to be not up to the standard required by modern conditions, either in quantity or in quality.

Nor may we ignore the influence on Yugoslavia's international relations of the German economic penetration,

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quite apart from its military significance. Germany now accounts for fifty per cent. of Yugoslavia's imports and exports. The French and British predominance in capital investment in the country is already seriously threatened, if not surpassed, by the stake of Greater Germany, who appears eager to negotiate more and more credits. These credits, moreover, are directed to the financing of important enterprises of significance in war time, such as iron works and explosive factories, and to the purchase of military material from Germany or from the newly acquired Skoda works. It is inevitable that Yugoslavia should thereby become, if not more attracted to, at least more dependent on Greater Germany.

There is little doubt that this orientation does not correspond to the wishes of a great part of the population. On the one hand, there is a deep-rooted dislike and distrust of Italy : on the other hand, there is in the country a strong sympathy for France, dating principally from the world war, and a popular belief in the virtues of democracy, inspired by this association with France. In the same way, there is a traditional hostility towards Germany. The politically conscious sections of the population express a general determination to defend their war-won independence against all comers.

This feeling, in spite of German propaganda seeking to intensify divisions between Serbs and Croats, may be strong enough to settle this long-standing squabble. Conversations have been going on for some time now between the Prime Minister, M. Tsvetkovitch, and the leader of the Croats, M. Machek. The effort has undoubtedly received a fillip from the Italian occupation of Albania, which represents a potential threat to Yugoslav security. There seems to be real goodwill on both sides.

The effect of these various influences on Yugoslavia's foreign policy is illustrated by the fact that during the spring crisis, when Rumania mobilised, Yugoslavia did nothing; even at the time of the Italian occupation of

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Albania, Yugoslavia only took some belated local measures of precaution. Her political association with the Axis Powers is principally with Italy, and her economic association principally with Germany; she is dependent on the two partners to a certain extent both for her political security and for her economic prosperity. So far, her Government has refrained from taking the undoubtedly unpopular step of making any open declaration of adherence to the Axis.

### VI. SLOVAKIA

THE rump State of Slovakia is a pure vassal of Germany. The mass of Slovaks are being governed by an energetic minority with little contact with the feeling of the people. German influence in the Government is predominant; the only dissident member, M. Sidor, who had pro-Polish leanings, was soon forced from office. The economic effects of Slovakia's new situation are incalculable. She may represent unexploited mineral resources lying ready for German enterprise; but she received heavy subsidies from the Czechs, and in order to maintain her standard of living will presumably require subsidies from Germany. She has, however, played an important rôle in enabling Germany to rectify a military frontier, with the result that Germany now possesses a naturally defensible line from the south of the Burgenland, north-north-east across the Neusiedlersee, along the Little Carpathians and the White Carpathians to the Polish frontier. Strategically, therefore, Slovakia is no-man's-land.

An exposition such as this does not demand conclusions. These are the European countries at present most intimately concerned in the interplay of great-Power politics; and these are the elements in their situations that will go to determine their own reactions to diplomacy or war.



# THE FUTURE OF THE INDIAN STATES

*(By a Special Correspondent in India.)*

## I. GREAT KINGS AND PETTY CHIEFTAINS

THE Indian states to-day face a crisis in their history. Upon its outcome probably depends, not only the introduction and the success or failure of federation under the Government of India Act of 1935, but also the future form and fortunes of the many states that lack the means, even if they possess the will, to keep pace with the rapid evolution of a new India. State administrations are being exposed to ruthless examination by politicians and the press. If those responsible are unable or unwilling to render an account of their stewardship, it is rendered for them, generally with a blunt admonition that their only salvation lies in immediate constitutional and administrative reforms.

The pressure does not come from one direction only. The Congress leaders, speaking for the largest and most efficiently organised political party, demand the "democratisation" of all aspects of state administration and the introduction of responsible government. In the states themselves, particularly in the more advanced states, there is a growing desire by the peoples for an effective voice in the administration. They may seek, for the most part, a "responsive" rather than a "responsible" government, but the basic requirements are invariably justice and fair taxation, speedy redress of legitimate grievances, and a voice for the people in their own governance and destiny, to be heard through suitable representative institutions. Maladministration or oppression cannot always be blamed; for

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states like Mysore, Baroda, Travancore, Cochin and Hyderabad have modern and efficient administrative systems which lose nothing by comparison with those of British India. Rather can the reasons be found in the growing spirit of Indian nationalism, the democratic ideas that have come to stay, the earnest feeling that unity is essential and that in a successful federation there cannot be two Indias in water-tight compartments.

Unhappily for those who are trying to bridge the constitutional and administrative rifts between British India and the Indian states, there is every difference between the relatively few enlightened states, which should have no real reason to fear either federation or any reasonable criticism, and the many backward states, which the kind-hearted may perhaps describe as picturesque anachronisms. India's history provides a key to this complexity. Until the coming of the British, centralised government was weak or unknown even under the most powerful rulers of India. Each empire comprised innumerable kingdoms, states and baronies, fluid in allegiances and alliances, but nominally accepting suzerainty and paying such tribute as could be exacted. In the interval between the dissolution of one empire and the emergence of another, there were struggles for power and consequent adjustments and re-alignments, until the new régime enforced some semblance of stability. It was during such a chaotic interval that the British assumed the central authority, and, without permitting normal adjustments, imposed permanence upon unnatural divisions of large areas. To make confusion worse confounded, the newcomers then proceeded to make territorial and dynastic changes, generally for reasons of expediency and not on historical or geographical grounds. Partly by accident and partly by political design, the consolidation of British power gave to India a small number of major states, generally progressive and well administered, and an unwieldy number of small states, the majority of which are unable to shoulder the burden of efficient

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administration and stagnate helplessly in semi-mediæval conditions.

In British India, the units have developed with a certain constitutional and administrative uniformity, which provided a suitable basis for federal plans. There has been no parallel development in the Indian states. The major states have travelled far along parallel, though not identical, roads of political advance. Lesser states possessing the necessary resources are commencing to move in the same direction, and have either announced liberalised constitutions or instituted enquiries from which such constitutions may be expected to emerge. There remains, however, a large residue of states, too poor or too inconsiderable to support proper administration, much less a recognisable constitution. It is indeed an outstanding anomaly of the accident of origin and unequal growth, an anomaly to which the major states not unreasonably object, that they, with their ample revenues and progressive administrations, should be classed with hundreds of petty states, which are treated as independent units, many of them having no more than a square mile of territory, one thousand inhabitants and an annual revenue of, say, one thousand rupees or £75.\*

Of the 81 states in Gujarat, 70 have annual revenues of less than one lakh (£7,500), and a large proportion have less than one-tenth of the amount. Of the 33 states in the Bundelkhand agency, twelve have more than one lakh per annum but only one can claim an annual revenue of over ten lakhs. Of the 282 states in the Western India agency, there are over 200 with annual revenues of less than one lakh and some have negligible incomes. Of other areas, the statistics tell a similar tale of petty chieftains existing on a pittance, trying to keep up some semblance of traditional and rather tawdry splendour for themselves, but spending little or nothing on their subjects. The plight of somewhat larger

\* The official reference book, *Memoranda on the Indian States*, gives essential details of all states with brief descriptions of the more important.

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states, however, does merit a degree of sympathy. In this class there are states with populations ranging from fifty thousand to one hundred thousand and a revenue of perhaps three to five lakhs. The ruler is often modern in outlook, intelligent and willing. He may content himself with a modest privy purse, but he can neither keep up the appearances that tradition and status demand nor provide adequately for the well-being of his subjects, much less institute legislative councils and similar democratic paraphernalia. In the somewhat wealthier class, we find states with only ten lakhs of revenue that are relatively better off and better administered than those with twenty lakhs.

### II. CONGRESS AND THE STATES

**B**EFORE the world war, the princes and ruling chiefs continued to live a sheltered life, and the growth of political consciousness in British India affected them but little. The small states remained stagnant while the major states pursued a more or less enlightened policy : one or two, indeed, went ahead of British India in some respects. Baroda, for example, introduced compulsory education as well as medical and health services, an independent judiciary, a privy purse, and balanced and published budgets. Although the more advanced states had realised that the quickening life of India must affect them and had studied the implications, the princely arcady was not really seriously disturbed until there arose the political conflicts that brought into being the Round Table Conferences. At those conferences the princes enabled the discussions to take definite shape by signifying their willingness to enter into a federal scheme, as the soundest method of achieving unity and ensuring power and responsibility at the centre. It may be recalled, in view of present trends, that the princes made their acceptance of federation conditional upon the existence of mutually friendly federal units, and of adequate financial resources and undoubted stability at the centre.

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It is probably true to say, not only that the states promised to support an all-India federation from mixed motives, but also that some did not fully realise what their acceptance involved or what its effect might be upon vigorous political movements in British Indian provinces. Some states, though not the progressive ones, undoubtedly thought that acceptance of the federal principle represented the maximum political effort that they would be called upon to make, and that thereafter they could resume their sheltered life. Others realised that pre-war India was no more, and that they had every reason to make the best possible terms for themselves without delay: their initiative at the Round Table Conferences secured for them a standing in the future federation with which they could feel well satisfied. For sentimental and practical reasons, many states sympathised with the desire of British Indian politicians that in the new India there should be a minimum of British control and interference; but they had no intention whatever of allowing the British mantle to fall upon those same politicians. The latter, of course, thought otherwise, and would gladly have ignored the position and claims of the states had they been able to do so; nothing would have suited them better than to assume the rôle of British officialdom and exercise the same functions in relation to the states. Disappointment on the one side, resentment on the other, suspicion and obduracy on both sides, have brought about the present critical conflict.

The situation has so deteriorated in the last two years that while all the interests concerned still pay lip-service to a federal ideal—and in their hearts all know that an all-India federation is the only sound and durable solution—it is difficult to find any responsible body of opinion ready to accept federation in present circumstances. From the princes' standpoint, it is not difficult to understand why to-day they are hardly enthusiastic federalists. They are perturbed and not a little bewildered by the uneven outcome of the latest Congress technique in agitation. The

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resolution passed at the Haripura Congress convention a year ago \* prescribed neutrality in respect of agitations in the states, but left a convenient loophole for individual leaders to "help" the states' peoples. This has been held to justify the action of Congress leaders who placed themselves in touch with discontented caucuses in certain states, and through them fomented agitation, with a threat of direct action. The ulterior motive is not obscure, nor is it disavowed in Congress circles. It is the ambition of the Congress, in case federation is introduced, to be able to form a central Ministry with a working majority, unfettered by the compromises that coalitions entail. It is purely a question of political arithmetic; for, thanks to the reservation of seats for Moslems and other minorities, the Congress cannot obtain that majority except by capturing a large proportion of the seats allotted to the states. Hence the persistent propaganda, especially in the advanced states in which results are more easily achieved.

The deepest concern was caused by the manner in which Congress sent outside volunteers to the states to agitate and stir up trouble. Mysore, Travancore, Hyderabad and Baroda, four advanced states with a high standard of administration, all experienced this interference in some degree. Again, in Rajkot, a backward state, the entire agitation was fostered externally and carried on internally by Congress volunteers from adjacent territory, until finally Mr. Gandhi intervened with what has been termed an innovation in political blackmail.† It is not surprising that the princes began to enquire how the Paramount Power intended to protect them from interference and invasion. While not fundamentally hostile to the federal scheme, they had no intention of signing their own death-warrant. Surely, they said, the Paramount Power should indicate how it proposed to deal with the present situation, and how it intended to carry out its moral and contractual obligations in the future.

\* See THE ROUND TABLE, No. 111, June 1938, p. 567.

† See the article on "Mr. Gandhi's Fast," below, p. 598.

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In the present attitude of the states towards federation this issue overshadows all secondary points arising from the revised Instruments of Accession, upon which their views may shortly be expressed thus : "Is the Crown or the Congress to be the Paramount Power ?" Should this be thought an unreasonable question, there is illuminating proof of its relevance in a recent article by Mr. Gandhi in his paper, *Harijan*, and the same sentiments were reiterated in his manifesto of March 20 :

If the Princes believe that the good of the people is also their good, they will gratefully seek and accept the Congress assistance. It is surely in their interest to cultivate friendly relations with an organisation which bids fair in the future, not very distant, to replace the Paramount Power, let me hope by friendly arrangement. Will they not read the handwriting on the wall ?

### III. THE POLICY OF THE PARAMOUNT POWER

THE states do read the writing on the wall, and they find no assurance in the thinly-veiled threat. Nor are they pleased to be told bluntly that the terms on which they can buy peace from the Congress are that they shall introduce responsible self-government as the basis of new constitutions, and that the states' representatives in the federal legislature—the all-important matter from the Congress standpoint—shall be elected by the people and not nominated by the rulers. Thus will Congress obtain a majority and, so pessimists fear, will treaties be shorn of significance and India transformed into one vast voting-machine on the totalitarian model. Turning for reassurance to the Paramount Power, the states felt themselves unable to discern any clear-cut policy ; and their fears mounted in response to what they regarded as the weak *laissez-faire* attitude of Delhi and Whitehall. If, as they knew full well, the Paramount Power had no intention of abdicating, then they felt that an intelligible policy should be laid down and a sustained effort made to rally in its support all the sound and progressive elements in the country. That did not

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exclude the Right wing of Congress. In any estimate of the situation it would be wrong to assume that the states are either inherently or irrevocably opposed to every aspect of Congress Right-wing policy. The imperative need was that there should be no further delay in stating the policy of the Paramount Power.

Events were to prove that the Paramount Power was neither as weak nor as puzzled as the deterioration in the situation suggested, though it is reasonable to conclude that an earlier statement was possible and that it would have avoided many unpleasant complications. The way was prepared by cautious but significant statements from Earl Winterton and Lord Zetland in England and by the Viceroy in Calcutta.\* The outline of the policy became more definite with Lord Linlithgow's speeches at Jaipur and Jodhpur early in March. Finally, his annual address to the Chamber of Princes in Delhi provided the occasion of unmistakable significance that all interests had anxiously awaited. "I am not ignorant," said the Viceroy, "that in recent times the rulers of Indian states have been passing through, in many cases, a period of stress and difficulty. Far be it from me to deny that there have been many cases in which states have been subjected to attacks which were entirely unjustified, attacks in which one has been unable to trace any scrupulous regard for strict accuracy, or any real desire to promote the welfare of the state or of the people." But, after allowances had been made for such unjustified attacks, it remained true that the princes must take steps in accordance with current trends and place themselves beyond criticism. Public opinion must have an opportunity to express itself, and there must be machinery whereby legitimate grievances could be brought to notice and freely and promptly set right. The problems of absentee rulers, taxation, privy purse and balanced budget, all invited sage advice from the Viceroy: "The more personal the form of rule the greater is the need for the personal touch . . . he

\* See THE ROUND TABLE, No. 114, March 1939, p. 356.



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who would be the father of his people must satisfy himself that all classes of his subjects are given their fair share in the benefits of his rule, and that an undue proportion of the revenue of his state is not reserved for his own expenditure."

The Viceroy stressed the sovereign rights of the rulers and the obligations of the Paramount Power to protect those rights. But he stressed no less the obligations of the princes to their subjects, to the Crown, and to their motherland. Assistance and advice would be given, but there would be no pressure on the states. There was, however, a warning that those princes who did not respond could expect little sympathy in future difficulties. Such was the burden of the Viceroy's advice to some six hundred states, to the small and backward among which he commended the wisdom of combining for administrative services.

Here indeed was the vital lead, demanded on the one hand by the states, and on the other by public opinion. In broad outline, the Viceroy's policy closely resembles that propounded by shrewd administrators and statesmen for the last twelve months. His announcement gave a marked impetus to discussions that had already been initiated in a number of states. More states launched enquiries into constitutional possibilities, with a view to providing suitable representative institutions and associating their subjects more closely with the administration. From the joint conclave of the leading Kathiawar states came their own suggestion of instituting and sharing an agency police. Why not, then, it is being asked, an agency judiciary, educational service, public works department, perhaps even a small legislative council, and a general pooling of revenues to provide for the essentials of progress? States in Central India have been invited to consider similar steps towards confederation for administrative purposes, and, if that is accepted, it is no great step to confederation for political purposes. Where there are tributaries which by accident or design have become separated from the parent body, they

## VARIETY AND COMPROMISE

are being invited to consider returning to the latter on favourable terms.

The voluntary acceptance of advice and assistance was mentioned by the Viceroy and emphasised by His Highness the Maharaja of Nawanagar in reply. But none of those directly concerned can be unaware that what is voluntary to-day may not be so to-morrow. Democratic ideals are now too firmly rooted in India for their growth to be resisted. Danger lies also in forcing too rapid a pace of progress. If the states are resolved to reduce the disparity between their administrative and political conditions and those obtaining in British India, they are entitled to ask freedom from forms of pressure that are naturally repugnant to them—pressure which, while it might secure sullen acquiescence in the inevitable, could only sow seeds of future dissension. Here perhaps may be found the value of the personal discussions between Lord Linlithgow and Mr. Gandhi. The latter may be praised or condemned, but the essential thing is his very real power. He is also a very shrewd politician, and, if the cessation of external interference in the states is one practical result of the Delhi discussions, it may be assumed that the Mahatma has been convinced that the states are really moving with the times. Nothing is to be gained by attempting to stampede them.

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## IV. VARIETY AND COMPROMISE

IT is abundantly clear that more democratic forms of government will steadily be introduced in the Indian states. What those forms shall be, as the Viceroy said, must largely be guided by the passage of time and the practical test of experience. It is undeniable that the states embody ideas more characteristic of India than those to be found in the modern democratic principles that are being introduced and adapted. Furthermore, the states differ so much in their character, needs and traditions that it would be unwise, and possibly retrograde in effect, if there

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were an attempt to force them all into the same rigid mould. It can be said to their credit—and this has not always been conceded during the present controversy—that they began to evolve forms of responsible government before the present agitation assumed either strength or direction. Cochin, for example, has had a legislative council with wide powers for seventeen years. Last year it was decided to entrust the administration of certain departments to a Minister chosen from the elected members and responsible to the council as a whole. A form of dyarchy has thus been introduced. Even had dyarchy been the failure in India that it was so often proclaimed, it is not necessarily unsuitable for an Indian state where the civil servants are usually drawn from the people and have with them the bond of common outlook and interests. Its protagonists in the states to-day realise that “it may only be a stepping-stone to wider forms of democratic institutions,” but claim that in the nascent stages of democratic growth it has the merits of simplicity and feasibility.\*

At all events, dyarchic devolution is the basis of advance that has gained the approbation of all enlightened states, and the one on which they are building, with such variations in the superstructure as seem suited to local traditions and requirements. One such interesting variation may be seen in the new Baroda constitution, which in outline and intention resembles that of Cochin. Here the popular Minister will be responsible to the Maharaja himself in much the same manner as the Dewan. The reforms committee, which had a strong non-official element, felt that this method was more likely to achieve the ideals of responsibility and closer association between governors and governed, by enabling the popular Minister to participate in and influence state policy as a whole in a manner which would hardly be possible if he were confined strictly to his own

\* *The New Cochin Constitution*, by Sir Shanmukham Chetty, K.C.I.E., Dewan of Cochin. Proceedings of the East India Association, October 18, 1938.

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transferred subjects and made responsible only to the elected majority in the legislative council. Discussions in other enlightened states, such as Mysore, Hyderabad and Travancore, are still in progress, and there is reason to believe that the constitutions evolved will bear a general resemblance to those of Baroda and Cochin. It is of no less importance that a working model is being provided for those smaller states which have adequate resources, and for the combinations and confederations which may be formed among their still smaller or poorer colleagues.

The gradual devolution of autocratic power undoubtedly suggests a trend towards some form of constitutional monarchy in the modern and major states. His Highness of Cochin has not hesitated to say so, and the Maharaja Saheb of Jodhpur, replying to the Viceroy, said that he was afraid neither of federation nor of democracy on the British model. The transfer of power in the progressive states is intended to be real and effective, and few will contend, remembering British models, that there is anything irreconcilable between constitutional monarchy and such forms of democracy as may be suited to India's genius and requirements. Before, however, the states as a whole commit themselves to momentous and probably irrevocable changes, there is one question that should be answered: "Does the Congress accept Dominion status as its goal? If not, of what use are treaties with the Crown, and what is the value of federation if every unit is to be at war with every other unit?" The federal constitution approaches nearly to Dominion status, despite the present difficulties provided by defence and foreign relations. Congress still talks of independence, but there is no clear indication whether the aim is independence of the British connection or the independence conferred by the Statute of Westminster. Informed opinion inclines to the view that Mr. Gandhi and some of his Right-wing colleagues now seek only the latter, but it would relieve much tension, uncertainty and soreness if they were to say so.

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The present controversy now begins to appear in clearer perspective. There are, in fact, two overlapping problems. The possibilities of separate treatment have been obscured by political passions and propaganda, and by the process of evolutionary foreshortening to which India has been subjected for twenty years. The general desire for more liberal constitutions and for administrative efficiency finds its response in the declared policy of the Paramount Power and in the progressive developments in the larger states. In such respects the gap between British India and the Indian states will no doubt be steadily reduced. Democratic institutions will come more slowly in states of lesser resources and size, but they will undoubtedly come. The mass of tiny statelets presents great difficulties, but grouping offers such obvious possibilities that we need not despair of the outcome of the present vigorous approach to them. The first controversial problem, therefore, is being solved by goodwill and understanding and by the inexorable march of democratic thought and ideas.

There remains, then, the purely political problem presented by the Congress agitation to secure the presence in the federal legislature of what they term the elected representatives of the people instead of the nominees of the states. Only by this means, the leaders feel, can they secure a working majority and prevent the stultification of all progressive movements. It is not merely a question of two mutually hostile interests. Apart from the jealousies and ambitions that have always prevented the states from presenting a common front, it is likely that the states' representatives, whether elected or nominated, will be found grouped in their respective economic and territorial groups, and not tied to a particular political school. The result may indeed be very different from that which the Congress expects. It is unfortunate also that the Congress appears to attach little importance to the fact that the states could provide the new federal legislature with many able administrators and statesmen of the type of Sir Mirza Ismail, Sir

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V. T. Krishnama Chari and Sir Shanmukham Chetty, whose sagacity and experience would be invaluable in the early years of the new dispensation.

If, as it seems, conflicting interests can be reconciled only by political arithmetic, deadlock is not inevitable. The Act provides that the states' representatives are to be nominated by the rulers, but it does not specify any method whereby a ruler must choose them. He may choose arbitrarily, or create machinery for their election, or devise a compromise between the two. It is not unlikely that the progressive states will be prepared, as a first step, to nominate half and to allow half to be elected, thus providing a parallel to the new dyarchic administrations. They are genuinely seeking to readjust themselves to democratic forces which they can guide but cannot resist. The task of fitting into a loose democratic federation a heterogeneous mass of some 600 states in every stage of development obviously bristles with difficulties. No less obviously the way is opening for an understanding between British Indian politicians and the major states. The progressive introduction of liberalised administrations and constitutions can solve one problem. As for the other, if Indian political leaders are willing to honour treaties, to refrain from hostile interference, and to accept Dominion status as their objective, there are reasons for believing that the states might be prepared to concede the election of a proportion of their representatives, and that the Congress high command might accept such a step as a suitable compromise. The alternatives are so unpleasant that we are bound to put our faith in the eventual triumph of reason, goodwill and common sense.

India,

April, 1939

# THE GERMAN MILITARY MIND

*By a Correspondent*

## I. WAR THROUGH GERMAN EYES

TO judge from their field manuals alone, there would seem to be hardly any difference at all between the military ideas of the various nations. All of them agree in emphasising the same fundamental and uninspiring truths : the value of the initiative, the necessity of arriving at the decisive point first and with the superior force, the importance of surprise and speed, the need to take precautions against the enemy's counter-action. It is only when we turn from these truisms, and read between the lines, or, better still, when we study the histories of the various armies, that we become aware of those factors which really determine the outlook and the methods of the various national forces. Only then do we begin to appreciate how profound are the differences between the strategic outlooks of the British, the French and the Germans.

The investigation of these subtle national peculiarities in the approach to problems of strategy, or in the preference for certain tactical forms, is relatively easy where, as in Great Britain and to a lesser degree in France, the nations and armies have enjoyed a long spell of gradual evolution; but it is particularly difficult for Germany, whose national life has undergone a complete revolution in recent years. In some respects that revolution has affronted the deepest national instincts, while tending in others to exaggerate national traits to the point of absurdity. The sharp distinction between the traditional outlook of

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the German people—the product, gradually evolved, of their national genius and the accidents of their history—and the theory and practice of the Nazi régime is of particular importance in considering the fundamental background of all military activity, the general attitude of the nation towards war and its problems.

To the Anglo-Saxon peoples, war is an unqualified and, above all, an avoidable calamity. Even to those who do not regard it as radically opposed to the creed and spirit of Christianity, war seems to result from a lack of understanding and from the mismanagement of international relations. It appears as an error that might have been avoided, the blame for which can be apportioned, with a large degree of justice, between the two contending parties. From this point of view the German attitude, which accepts war as a natural, indeed necessary, element of human existence, and therefore as not conflicting with Christian doctrine, is bound at first to appear incomprehensible, not to say blasphemous.

It is easy to point to the contrasting historical experience that has led to this fundamental difference of outlook. On the one hand, we have the comparative immunity from war and invasion enjoyed by the Anglo-Saxon nations behind their silver walls; their long, though not unbroken, experience of the peaceful solution of internal differences, an experience which they are too apt to project upon the fundamentally different external plane; the profound influence of the nonconformist Christian churches. On the other, we have the highly turbulent history of the German people, confined as they have been between the French in the west and the Slavs and the Turks in the east; their memories of the Holy Roman Empire, which endowed the sword with the blessing of the Christian Church, as the bearer of justice and order and the weapon of defence against the infidels; and, last but not least, the profound influence exerted during the nineteenth century by universal military service, which, from the Napoleonic wars



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onwards, played a far larger rôle in the life and thought of the German people than in that of any other nation.

The German claim that war is an inevitable element in human existence is certainly not the expression of an unduly bellicose spirit, nor of a frivolous disregard of law and justice. On the contrary, at its most genuine, it reflects a deep reverence for the fact that man's destiny is dominated by forces mightier than all human will and foresight. Human life, according to this philosophy, is not a peaceful process in which all differences can be equitably adjusted with the exercise of a little good-will on both sides, but a majestic and violent drama in which, as in every tragedy, right conflicts, not with wrong, but with another right. Just for this reason, the German mind feels that the deepest issues cannot be submitted to the judgment of any mortal tribunal, be it the wisest judge or the most objective court of law.

In all great and decisive moves in the international sphere (recently wrote a profound student of the international outlook of the German people \*), wherever not "episodes" but "epochs" are in the balance, the conflict of one State with another over certain rights or interests is merely the outward and visible sign of a far more fundamental conflict. . . . The act whereby the conflict is composed constitutes not a judgment or a settlement, establishing rights, but a balance-sheet showing the rank that the nations concerned have established for themselves in the struggle. The world war, in its deepest aspects, was no struggle for certain rights or interests, any more than the war of American Independence was a conflict about tea-boxes; and the treaty of Versailles forms as little the legal documentation of the settlement of extensive and complicated quarrels as did the treaty of 1648; but its stipulations provide the complex and often scarcely decipherable signs by which the new rank of some nations, their weight in the balance of history, has been expounded.

From this point of view—which, the author goes on to claim, is the result, not of a mystical belief in "blood and iron", but of an unbiased attention to the facts of history—the attempt to eliminate war altogether through the setting-up of a League of Nations, or any other form of collective security, must appear to be based on an erroneous,

\* Dr. Karl Schmid, in the *New Commonwealth Quarterly*.

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indeed a superficial and irreverent, conception of human destiny. For by seeking to obviate the ultimate recourse to the sword it threatens to withdraw the fate of the world from the soldier risking his life for his cause, and entrust it to the pettifogging lawyer. Moreover, by trying to achieve what is neither possible nor desirable—it was Moltke who declared that “eternal peace is but a dream, and not even a pleasant dream”—it is bound to end sooner or later in disaster infinitely worse than the hardship that it has vainly set out to abolish. Here, in fact, lies a much deeper source of German distrust of the League of Nations than the unfortunate connection with the treaty of Versailles. That such sentiments are neither a purely German perversity nor incompatible with the deepest religious feeling is shown by the example of the famous American naval historian, Admiral Mahan; in all his work, and particularly in his collected essays on *Some Neglected Aspects of War* and in *Armaments and Arbitration*, Mahan took his stand upon exactly the same doctrine, though he wrote as a devout and earnest Christian, in which character he was respected by everybody who came into contact with him.

The German people, steeped in this concept of war as a sort of “trial by battle”, have tended to regard war as essentially a conflict between the armed forces of the States concerned, and not as involving their civilian populations. To the German people, war is—or rather, has been—a struggle in which, in the words of Rousseau,\* the individuals are enemies only by chance, not, indeed, as individuals, but merely in their function as soldiers; this in contrast to the more natural view, which has always been held in Great Britain, that war constitutes a state of enmity between all individual citizens of the belligerent parties, as well as between those parties themselves, and that there can be no economic peace side by side with a conflict in arms.†

\* *Contrat Social*, I. 4.

† Cf. Dr. Hugo Richarz, *Wehrhafte Wirtschaft*, pp. 10-11.

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The former artificial distinction, however, persisted in Germany until the beginning of the world war, when it broke down under the impact of the mass emotions aroused by that struggle. It broke down, that is, among the civilian population. At the front, the old spirit still retained its influence, and nothing in the whole of the Allied propaganda—in itself felt to be an “unfair” method of waging war—aroused such fierce resentment as the exaggeration of misdeeds inseparable from any great army in the field, and of hardships inevitably imposed upon the civilian population of the invaded areas. The general accusation of “unchivalrous conduct”, which was built on these charges, was bitterly repudiated precisely because the German army felt itself to be imbued with the very opposite tradition, and, as far as possible, to be living up to it.

It is hardly necessary to point out how fundamentally this traditional German outlook upon war has been distorted and perverted in many respects by the Nazi régime. No attempts to disguise it or explain it away can conceal the gulf that yawns irreconcilably between the traditions of the German army and the spirit of the Nazi party. However much the German army as a whole may have come gradually under the influence of Nazi propaganda, the individual German soldier, again and again—in Austria, during the November pogroms, in Czechoslovakia—has openly dissociated himself from the shameful deeds of “bravery” that the Third Reich has performed towards those who could not defend themselves.

### II. THE GERMAN CONCEPT OF STRATEGY

IN the military sphere, this idea of war as a purely military struggle between two opposing armies, added to the thoroughness of the German mind, has resulted in a unique mastery of the meaning and the possibilities of strategy. In fact, during the greater part of the nineteenth century,

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Prussia-Germany enjoyed a virtual monopoly in the "higher conduct of war". A series of outstanding strategists and military organisers—Scharnhorst, Clausewitz, Moltke, Schlieffen—taking up, where he had left it, the decisive, mobile strategy inaugurated by Napoleon, pursued it to its logical conclusion, and adapted it to the new means of transport and communication as well as to modern mass armies.

The concept of the "conduct of operations" that they evolved was derived from what may best be described as the idea of "pure strategy". War was envisaged as a strictly autonomous military act, directed according to its inner strategical logic towards one decisive aim, the overthrow of the enemy's forces in the field. The idea was that all other considerations, political or economic in character, being extraneous to the strict military *rationale*, could only divert military action from the course best calculated to achieve that aim. Whatever their urgency, they therefore had to be rigidly excluded; for the attainment of the supreme objective would make good all sacrifices or disadvantages incurred in the meantime. This notion of the overriding importance of the military factor led to severe friction between Moltke and Bismarck in 1870, and was responsible for the march through Belgium in 1914; moreover, it misled the German navy, as its spokesmen to-day frankly admit, into a wholly erroneous conception of naval warfare as a purely military struggle between the opposing fleets, instead of a fight for the control of vital sea communications.

It was held to be the aim of strategy to accomplish the overthrow of the enemy rather by movement than by straightforward fighting—movement conceived, not in the eighteenth-century fashion as a means of waging war without resorting to the doubtful expedient of battle, but on the contrary as a means of bringing about the complete discomfiture of the enemy by keeping him "on the run" and forcing him to expose his flanks and rear to decisive

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strokes. In such wide sweeping movements as Napoleon's advance upon Ulm in 1805, or the Schlieffen Plan of 1914, or, conversely, the great strategic retreat of the Russians, which broke up the *Grande Armée*, rather than in the actual direction of the forces in battle, German military thought saw—and still sees—reflected the true greatness of a commander, the creative aspect of the art of war, and the proper sphere of strategy.

The appreciation of "movement" as the essence of strategy is but the reflection of a fundamental feature of German military thought, which perhaps more than any other serves to distinguish it from that of other nations: its habit of looking upon the campaign, or war, as a whole. While French, British and other military thinkers, conceiving military theory as a series of ill-defined principles, indiscriminately applied to tactics and to strategy, have tended to concentrate upon the conduct of the individual action, German strategic thought, particularly that of its great master, Carl von Clausewitz, owes its mastery of the art of war to its realisation that the deepest problems in the conduct of war do not emerge from the individual operations, taken by themselves, but only from their co-ordination into a continuous, coherent whole.

This idea of the "inner continuity of the military effort" does not mean, as is sometimes contended by French critics, that strategic operations must be conducted according to a preconceived plan. That was not true even of the famous Schlieffen Plan. It means something infinitely more elastic and more difficult: continuous adaptation of events to the objective of the campaign, through the superior will and intelligence of the commander. Far more ambitious than the French notion of manœuvring for a suitable opening, this German conception of strategy as a coherent "system of expedients" demands of the commander more than mere talent, or the painstaking intelligence and skill of the French ideal of the *officier instruit*. It demands a creative power to bend events to his will, a faculty little short

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of genius. Count Schlieffen, recently taken severely to task by prominent German military critics for his failure to allow for mediocrity, and for the superhuman nature of his demands upon leadership, had only developed the implications of German strategic thought to their logical conclusion. When, in 1914, in the hands of men who lacked the drop of Samuel's oil by which Schlieffen symbolised the genius of the born captain, his plan broke down, and when the power of the machine gun transformed the war of movement into the grim and laborious struggle of trench warfare, the internal and external limitations of that strategy were suddenly revealed. Yet so strong was the grip that it had established upon the thought of the German general staff that neither during that conflict nor since have they realised how fundamental is the revision thus made necessary.

German military thought has not, indeed, been blind to the new developments. It has completely thrown over the former tendency towards "pure strategy", fully recognising to-day the importance of political and economic considerations. In many other points it has shown a keen perception of the changes that have occurred since 1914, although it still hopes to return to the war of movement. But it has grafted these newly acquired ideas upon the old doctrine, without recognising their utter incompatibility with it, and has thus unwittingly discarded that conception of war as a whole upon which German strategy, more than that of any other nation, depends for its successful execution.

### III. TACTICS AND DISCIPLINE

LIKE German strategy, German tactics are characterised by their freedom from restraining rules or methods. They are designed to allow the individual commander the greatest possible liberty in adapting himself to the concrete situation that confronts him and in exploiting it to military advantage. Here is a complete contrast with

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the French tendency to evolve carefully thought-out patterns of conduct for every conceivable contingency, a method that the German mind rejects as too complicated, too slow, and above all too rigid.

The German commander is allowed a latitude in his tactical decisions such as exists in no other army. It has not always been so. Under Frederick the Great, so strict was the control of officers, even on isolated duty, so fierce was the king's insistence upon the precise execution of his orders, that they did much to quench the spirit of initiative aroused in his generals by his own heroic example. But after his death, and in particular after the breakdown of his system in the catastrophes of Jena and Auerstädt, the pendulum swung to the opposite extreme, and it has remained there ever since. Prince Frederick Charles of Prussia, the great military organiser of the middle of the nineteenth century, wrote in 1860 :

Prussian officers cannot be subjected to restrictions by regulations and tactical schemes such as are in force in Russia, Austria and Great Britain. With our officers, it would not be possible to fight a defensive battle on such regular lines as Wellington adopted. . . . With us, the generals are ready to engage freely in all kinds of enterprises on their own account, without the knowledge and the assent of the commander-in-chief, and to exploit to the utmost all successes gained.

A great measure of independence is granted to the commander, not only in the undertaking and pursuit of actions on his own account, but above all in the execution of his orders. As the man on the spot he is not merely authorised but indeed expected to correct his orders on his own initiative as soon as he realises that they do not fit the situation. The outcry of an old general, "Sir, the reason why the king has made you a staff officer is that you should know when *not* to obey your orders", is one of the most famous *bon mots* of the German army. Such ability to exploit the peculiar features of a given situation demands the greatest rapidity both in decision and in execution. German tactical training, therefore, ranks speed and vigour in

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execution above the correct form of the action, or above that care for ensuring "security" which characterises French tactical ideas. German tactical skill is felt to find its most congenial conditions, not so much in regular attack or defence, as in the free encounter of mobile warfare. Although, to-day, with the immense complication of units, equipment and tactical methods, such free action is acknowledged to have become far more difficult than formerly, great attention is being paid in Germany to a thorough training of the troops for a war of movement, special care being devoted to reducing as far as possible the inevitable time-lag between the infantry's deploying into action and the readiness of the artillery to support it.

The German soldier therefore claims the attack, in which above all he finds the sense of swift and vigorous combat, as his specific national form of action. Not that he underrates the romantic *élan* of the French, the dogged stubbornness of the British, the crude bravery of the Russian attack; but all these nations, he finds, show an even greater aptitude for the defence. In the swift and irresistible onrush, on the other hand, with which from the days of the Romans to the world war his forefathers used to overrun their opponents, he recognises his own peculiar heritage, the expression of his sanguine temperament. In its strange exhilaration he feels the very soul of war vibrating. He believes that the dashing spirit of attack, regardless of loss, has often served to snatch victory from the very jaws of defeat.

Before the world war, the German army made the mistake of retaining its rigid forms of infantry attack, and seriously neglecting the assistance of the artillery. To-day, not only have these two defects been thoroughly remedied, but the very restrictions of the treaty of Versailles, which deprived the Reichswehr of tanks and heavy artillery, obliged it to develop the power of attack to the utmost, with the result that the German army probably leads all other forces in its training for modern elastic attack. It believes that, when the mechanical equipment of the armies



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of to-day neutralises itself in a deadlock, victory will fall to the better trained infantry, and, above all, to the infantry trained to dispense if necessary with the assistance of the tank.

In the same way the world war brought about a profound change in the German army's attitude towards the technical factor in modern warfare. Before the war, the intense emphasis laid upon the spirit of the infantry attack had led to a serious underestimation in the German army—as compared, for instance, with the French army—of the importance of the technical factor. Despite their rapidly growing importance, the members of the technical branches were looked down upon by the “real soldiers”. In order to achieve promotion in his service, the sapper had to prove to his superiors that he was no sapper, but an infantryman, while the field artillery concentrated to such an extent upon the cavalry part of its work, driving and riding, that it not only neglected shooting, but also sacrificed valuable points in its guns and munition train in order to keep them sufficiently light for a gallop. Only the heavy artillery, free from such distracting influences, developed to the full the means at its disposal.

Under the influence of the world war, this outlook has undergone a radical change. The military spirit of the technical soldier is no longer questioned, although a certain soreness on this point still persisted only a few years ago. The importance of the fullest use of all technical resources is very strongly emphasised. The training of the various technical branches—sappers, mechanised units and artillery—is at a very high standard. In particular, the field artillery has completely made good the lag formerly existing between its own and the heavy artillery's methods of fire direction and spotting.

Yet pronounced contrasts with the comparable services of other armies still exist. As a German artillery officer recently pointed out,\* the German officer's attitude towards

\* Dr. Horst Herrmann, *Der Offizier als Mathematiker*.

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shooting, and in particular towards mathematical ranging, differs fundamentally from that of his French opposite number. The French officer is not satisfied with merely accepting the rules he is instructed to follow, but feels personally responsible for their adequacy, and constantly re-examines their basis, elaborating new mathematical methods that appeal to his taste, as an elegant solution of a problem, no less than to his scientific spirit. The German artillery officer, on the contrary, considers the relatively simple methods laid down in his regulations as fully adequate and above doubt. His concern is not with their critical examination, but exclusively with their application to varied circumstances. In this, however, he is disinclined to fetter himself with mathematical methods of fire-direction, however brilliant. For the sake of an enlarged freedom in exploiting the situation, he is ready to renounce their many and great advantages: the ease and simplicity of their application, the infinitely smaller physical and psychological strain that they impose, the facility in taking over from another command. Admitting that mathematical fire-direction may prove superior in stable warfare, he feels that it cannot compete with his own free methods in mobile warfare, in which during the world war the German artillery always achieved its best results.

A parallel change has been brought about by the world war in the German army's attitude towards discipline and obedience. Since the days of Frederick the Great, when obedience was exalted into the cardinal virtue, any infraction of which was unforgivable, the Prusso-German army has been prone to identify military efficiency with strictness of discipline, and to judge other forces too much by this standard. Even when it was fundamentally altered in inner structure from a mercenary force into a national army in the time of Napoleon, the strict outer forms were left untouched, although indeed the spirit in which they were applied from that time onwards was more paternal and less mechanical than the foreign observer might

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imagine. Yet the utter breakdown of the morale of the German army in the autumn of 1918 showed that mere external strictness, tempered by paternalistic benevolence, was not enough, and that the relations between the leaders and the led must be placed upon a broader and firmer foundation, if they were to survive a similar strain in the future. Since the end of the war, therefore, the chief preoccupation of the German military authorities has been to assure the morale and inner coherence of their force against a similar catastrophe. Without in any way relaxing the outer forms of discipline, the German army has been at pains to forge the relations between the leaders and the led in the shape, no longer of mere external authority, but of a real inner bond. The young officer is taught as his primary duty to win the confidence of his men, and to establish a real feeling of comradeship with them—without thereby endangering his authority. The new, airy barracks with their whitewashed and gaily adorned walls, the care taken in the preparation of the food, and the higher pay, are an outward expression of this greatly increased solicitude for the well-being of the rank and file.

In this recognition of the soldier's individuality, the German army is but paying tribute to the exigencies of present-day infantry tactics, which demand a vastly increased measure of initiative and independence on the part of the private soldier. The close formations of pre-war tactics left to the officers the tactical skill whereby the units of man-power became instruments of action. The new tactics, based upon the personal initiative of the individual soldier or the small machine-gun squad, have made imperative a far more meticulous and individual training. This modern training is designed to develop, not only the traditional offensive spirit of the German soldier, but above all those qualities of enterprise and intelligent adaptation to circumstances in which he has hitherto shown himself relatively deficient, and in which the French soldier was recognised to be superior in the war of 1914-18.

## BRITISH SHIPPING IN THE ORIENT

UNLESS a prompt and concerted effort is made by the British nations, shipping under their flags in the Far East is doomed to decay. That is the inescapable conclusion of the latest report of the Imperial Shipping Committee.\* And as the British mercantile marine declines, anywhere in the world, so the strength of the whole Commonwealth in face of danger is sapped. For the sea is its arterial system, and trade and shipping are the twin corpuscles of its blood stream.

### I. WHERE THE SHOE PINCHES

THE report, which is exceptionally valuable and frank, contains a mass of luminous figures and other information. It appears that the danger of decay of British shipping in the East chiefly menaces four main routes : between the Orient and North America ; between Japan and India, Burma, Ceylon and Malaya, *via* Singapore ; between Japan and Australasia ; and the coastal and riverine trade of China. Foreign competition has also begun to eat into the coastal shipping trade of India and Burma, and beyond India to the Persian Gulf, East Africa and the Cape, slowly but like a smouldering fire. On the remaining great Oriental shipping routes of importance to the mercantile marine of the British Commonwealth, namely, the routes between Europe and the East *via* the Cape and Suez, British shipping has held its own. There, it maintains a

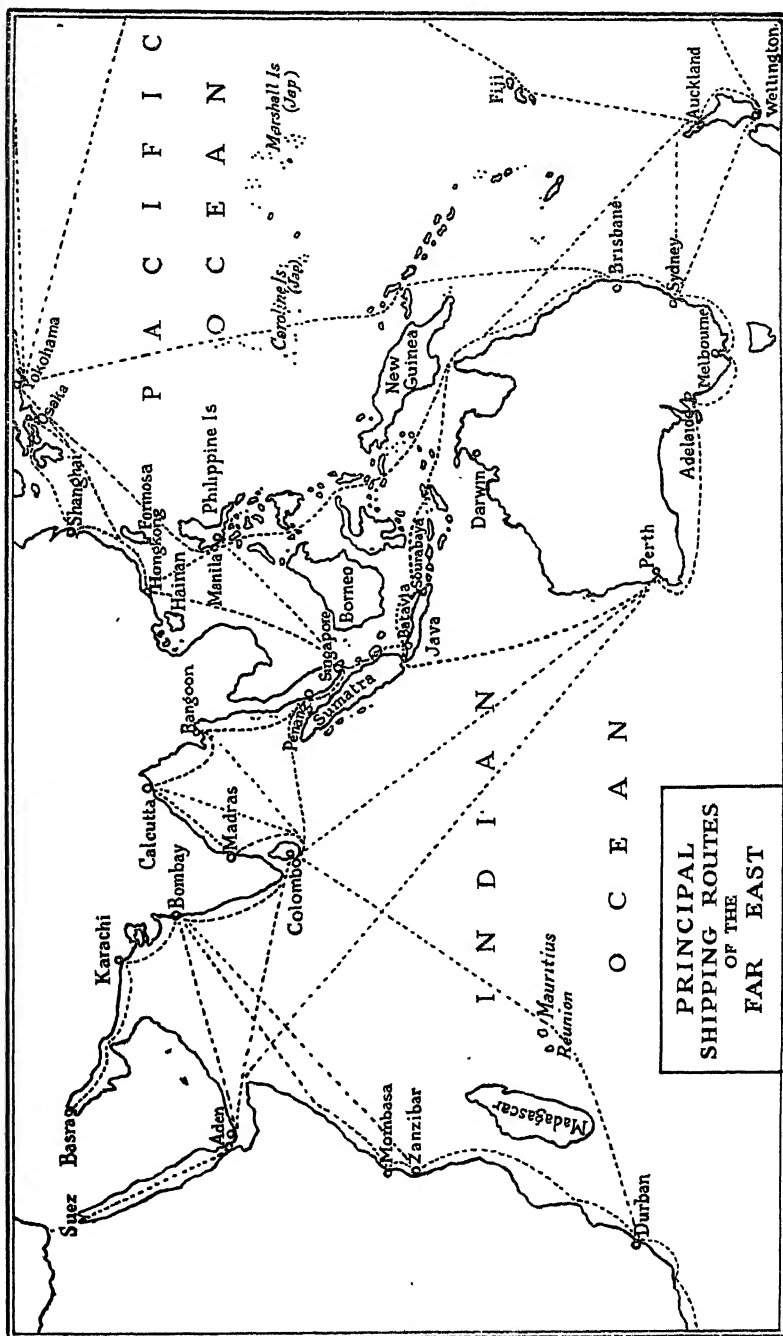
\* *British Shipping in the Orient*. Thirty-eighth report of the Imperial Shipping Committee.

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long lead over its competitors—mostly European countries—with between 40 and 50 per cent. of the tonnage passing and of the cargo and passengers carried. This Europe-Orient traffic accounts for about one-half of the £33,000,000 which United Kingdom shipping earned in Oriental trades in 1936. That sum was about one-quarter of the gross receipts of the United Kingdom shipping industry from the carriage of cargo and passengers all over the world. In the Oriental routes on which British shipping is seriously threatened, therefore, we are apparently concerned with roughly one-eighth of the total British shipping interest. This figure, however, does not take account of British shipping not based on the United Kingdom.

The coastal and riverine shipping of China is in a different position from the other threatened categories because its present state is pre-eminently affected by the Sino-Japanese war, on the outcome of which its future manifestly depends. According to the trends that were visible in 1936, when China and Japan were at peace, two things were likely to happen. First, both Japanese and Chinese shipping would continue to encroach on the British position in the lower Yangtze. Secondly, although the rising prosperity of China would bring more grist to the mill of all concerned in her trade, her own protective tariff would probably diminish her imports of goods shipped in British and other foreign bottoms; her strengthening nationalism might also lead her to take for her own ships a growing share of her coastal and interior water-borne trade, or to foster the traffic by alternative railway routes. Estimates of the future, in the light of actual events since 1936, can only be hypothetical. If Japan beats China to her knees, and permanently retains her present forcible command of China's coast and ports, then she will undoubtedly take as much of the Chinese shipping traffic for herself as she has the means to supply. If, on the other hand, Japan's effort collapses under its own weight, and a victorious China sweeps back to the coast, a period of exhaustion and

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probably disorder might be followed by a torrent of Chinese nationalism. The second, however, is clearly the preferable alternative for British shipping interests in China.\*

The remaining three categories of shipping in the Orient in which the British position is menaced are all alike, in that they are on routes between Japan and British or other territories in whose external trade British shipping has had a very great interest. They are: Japan to the lands of the Orient that lie west of Singapore, particularly India; Japan to Australasia; and Japan to the east coast of the Americas *via* Panama, together with the northern trans-Pacific route to the west coast. The chief and most damaging competitor is of course Japan herself. By far the greater part (nearly 80 per cent.) of Japanese shipping is occupied in carrying the exports and imports of its home country. In 1913, one-half of Japan's foreign trade by value was carried in Japanese bottoms, and 29 per cent. in British. By 1935, the Japanese share had risen to two-thirds, while the British share had fallen to 11 per cent. A further fraction of some 3 per cent. must be added to the Japanese share, making it nearly 70 per cent., to account for ships registered in Dairen or China but owned in Japan. British shipping earnings from carriage to and from the Japanese empire—liner, tanker and tramp—were of the order of £4 million to £5 million per annum in 1935 and 1936.

In the trade between Japan and the Americas, British liner interests are small and are declining, the United States being the chief victim of Japanese competition. British tramp and tanker interests, however, are still considerable. On the north Pacific route, the Canadian Pacific line is well established, but the future of the Blue Funnel line is uncertain, as its vessels are due for replacement but have not been earning enough to cover depreciation. There

\* See article on "The Future in China," in *THE ROUND TABLE*, No. 114, March 1939, pp. 309-22.

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are three Japanese lines competing with the Blue Funnel, which has also suffered from a special cause. Raw silk exported from Japan to the United States used to be carried to the west coast in British and American vessels, and forwarded eastward by rail. With the fall in the price of silk, the traffic could not bear the rail freight, and under Japanese initiative it was directed to the cheaper all-water route *via* Panama, on which it is carried very largely in Japanese ships. On the journey from the east coast of the United States to Japan, British lines have been unable to obtain cargoes of raw cotton for Japan as they did formerly, presumably because the Japanese merchants have taken to buying cotton *f.o.b.\** in the United States—a device that has served Japanese shipping well in other commodity trades.

In 1935 and 1936 there was also severe Japanese competition in the important rubber shipping trade between the Straits and the east coast of North America, a trade previously carried on by four British and two American lines on a round-the-world basis, the return voyage being *via* the Cape or Suez. When the new competitive struggle was at an inconclusive stage, however, Japanese shipping was diverted as a result of the war with China, and the pressure from the Japanese lines relaxed.

The ambitions of Japanese shipowners in the Pacific area are revealed in the following passage from an article by the President of the Shipowners' Association of Japan, written in 1937 :

As has been repeatedly stated, the stream of trade in the Pacific will expand tremendously in the future. But as there are no countries bordering the Pacific that are specifically shipping countries, our country with its favourable geographic position should obtain the carriage of most of this trade and it will be an excellent sphere of activity for our tramps. The tendency is for passenger traffic to increase daily in the future along with the

\* "Free on board", that is to say, bought from the supplier in the country of shipment; contrasted with *c.i.f.*, "carriage and insurance free", that is to say, bought on arrival in the country of destination.



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economic and cultural development of the countries on the coasts of the Pacific. Therefore it is the duty of the passenger ships of our country to take an active rôle in this direction in the future. . . .\*

These ambitions are legitimate, and we need not grudge them to Japan. But around the Pacific rim lie three great British Dominions and several important British colonies, and although these are not "specifically shipping countries" they are parts of a Commonwealth which commercially and strategically stands or falls by its strength upon the high seas, in mercantile marine as well as navies.

In 1936, about 19 per cent. of Australia's exports went to the Orient, whence she drew 17 per cent. of her imports, Japan being by far the most important Oriental market for Australian products, particularly wool. Of the liner trade between Australia and Japan, based mainly on the export of Australian wool, Japanese vessels carry about 80 per cent. There is only one British liner service from Australia to Japan, which operates three old vessels. This line has had to meet the increasingly severe competition of four Japanese lines, which operate more than a dozen vessels, including some of the most modern types, and are building more. There is a large trade in wheat and ore from Australia to Japan and China. The trade is carried almost entirely in tramps, and only a very small part of it in liners. Here again, an increasing proportion has been done in Japanese vessels. By purchasing wheat and ores *f.o.b.* in Australia, the Japanese merchant or agent is in a position to choose the vessel for shipment. There is no Japanese competition in the liner trade between Australia and the Netherlands East Indies and Malaya.

The proportion of New Zealand trade with the Orient is very much smaller than that of Australia and is almost entirely to

\* International Marine Transport, Vol. XII of the *Complete Library of Railways and Communications*, published by the Shunkosha in Tokyo, September 1937. Chapter XII, Section 5. The writer significantly went on to draw attention to the American neutrality law, which stipulated that in time of war belligerents requiring American produce must fetch it in their own ships.

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and from Japan. Nevertheless both the proportion and the value are beginning to grow. . . . Almost the whole of this trade is carried in Japanese liners owned by one or other of the companies in the Australia-Japan Liner Conference.\*

The shipment of wool and other Australian and New Zealand products *f.o.b.* contributes to the advantage of the Japanese lines and tramp-owners. In other sections of the traffic it is the competitive pull of lower costs and newer ships (to some extent subsidised under scrap-and-build schemes) that gains the day for Japan. It has not been easy to persuade Australian and New Zealand producers that in the long run it may not pay them to use the cheaper shipping facilities, since the disappearance of British shipping from those routes would not only weaken their defences as partners in a maritime empire but might also leave them economically at the mercy of monopolistic shipping and merchanting interests.

It is in the trade between Japan and the British countries of the Middle and Far East that the pinch of Japan's highly organised system of linked manufacturing, merchanting and shipping interests has been most keenly felt.

Japanese cargo liners and tramps carry a large trade in iron ore from British Malaya, and M.B.K.† does a trade in rubber between the same two countries. Very little of these trades appears to be in British ships, although the commodities carried are derived from British protected territory.

The Japanese lines which ply in the trades with India have their terminal either at Calcutta or Bombay. Almost the whole of these trades was formerly carried in British vessels, but Japanese vessels carry to-day approximately 50 per cent. of the Calcutta trade and 80 per cent. of the Bombay trade, and on both routes traffic is picked up at intermediate ports. The Calcutta-Japanese vessels carry no less than 80 per cent. of the cargo trade between Burma and Japan. The Bombay-Japanese vessels are offering increasingly severe competition with British shipping between Japan and Colombo, between Colombo and Bombay, and between Hong Kong and Bombay.

The Japanese trades to the Persian Gulf and to East Africa

\* *British Shipping in the Orient*, p. 44.

† Mitsui Bussan Kaisha, a great Japanese business house which has a secondary interest in shipping.

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were formerly carried either in British or Japanese vessels to India, and there transhipped to vessels of the British India Company. Both trades are now conducted in Japanese vessels offering a direct service.\*

### II. THE BASES OF JAPANESE COMPETITION

THE Imperial Shipping Committee was at some pains to seek the causes of the relative decline of British shipping in the face of Japanese (and in some directions other foreign) competition in the Far East. German, Italian and United States ships are fairly heavily subsidised in different ways, French and Netherlands ships less so. Japanese subsidies have largely taken the form of subventions on the replacement of old tonnage by new. By the early part of 1937, three successive scrap-and-build schemes had resulted in the scrapping of some 500,000 tons gross of old tonnage and the construction of forty-eight fast new ships of some 300,000 tons gross. A fourth scheme, which came into operation in April 1937, provides for the subsidised construction of high-class passenger and passenger-cargo liners of not less than 6,000 gross tons and 19 knots speed, at rates of subsidy approximating in some cases to half the building cost. The subsidies, though payable by instalments spread over eighteen years, are to be paid in respect of construction during the four years 1937-41 of 150,000 gross tons of passenger vessels and 150,000 gross tons of passenger-cargo vessels, the total subsidy envisaged being over 50 million yen (£3,000,000 sterling at current rates of exchange). The Japanese Government has also enabled shipbuilders to raise loans at artificially low rates of interest. Compared with the assistance for building, subsidies for operation have been small. From 1931 to 1938, operating subsidies averaged about 13,500,000 yen a year, or say £1,000,000, only about half of which was paid for trans-oceanic services, the greater part of this sum being allotted

\* *British Shipping in the Orient*, p. 35.

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to the trans-Pacific lines. Japan also pays a tramp subsidy at approximately the same rate as the British tramp subsidy, which was paid in 1935 and 1936, was then discontinued because freight rates had risen, and has now been renewed.

It is difficult to isolate the competitive effect of currency depreciation, since its incidence varies in the different items of shipping companies' costs. The effects of depreciation and the lower Oriental standard of living can best be taken together, as the Imperial Shipping Committee take them, in a comparison of British and Japanese cost schedules for building and operating ships of similar type. The Committee learnt that a Japanese cargo liner of some 6,000 tons gross, with Diesel engine and 12 knots speed, would have cost the equivalent of about £140,000 in 1936, and that a comparable British vessel would have cost about £160,000. Since 1936 the consequences of the China war have brought Japanese and British shipbuilding costs more closely together. The annual operating costs of a medium-sized British cargo liner were about £40,000, compared with about £35,000 for a similar Japanese vessel, with its lower scale of pay, victualling costs and expenses of management. This margin, though considerable, might not by itself be decisive. The Committee was inclined to view with greater apprehension the possible future effect of exchange-control systems, which may virtually oblige a shipper or importer, in the country exercising control, to ship in vessels under that country's own flag. The system has so far had visibly serious results in the Orient only in regard to German shipping. The stringent system of exchange control recently adopted in Japan has not yet been in operation long enough, or in sufficiently normal conditions, to enable the effect on the shipping trade to be estimated.

One of the most potent instruments of Japanese shipping competition is the close vertical and horizontal organisation of Japan's industry, commerce and transport.

Practically the whole of the large-scale enterprise of Japan is under the financial control of one or other of three great family

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businesses (known in Japan as "Zaibatsu," \* or money-groups)—Mitsubishi, Sumitomo and Mitsui. . . .

A single Zaibatsu can build ships in its own yard, operate them, provide them with fuel from its own mines or storage tanks, insure them and their cargoes, load and unload them, warehouse the cargoes and discount the warrants at its own bank. Its merchanting companies provide a considerable proportion of the cargoes carried, both outward and inward, and of these goods in turn a substantial part comprises raw materials for its own factories, or finished articles produced by those factories. . . .†

Horizontal as well as vertical organisation has also been important in the relations between Japanese industry and oversea shipping, more especially in the Bombay-Japan cotton trade. Some 97 per cent. of the Japanese cotton spinning industry is organised in an association called Rengokai, which has represented it in dealings with shipping firms. By contrast with this ordered system, British shipping and merchanting in the Far East are conducted by a host of independent and competing firms.

The Imperial Shipping Committee quote a number of cases to show the effect of Japanese commercial solidarity in the history of the various shipping conferences, which fix freight rates, regulate competition and maintain the system of deferred rebates to "loyal" shippers in the various Eastern trades. In the Bombay-Japan conference, for example, the original agreement, which was reached in 1888, gave the British line (the P. & O.) 39/60ths of the "upward" traffic (*i.e.* Bombay to Japan). By 1913 two Japanese lines, the N.Y.K. and the O.S.K.,‡ had obtained an allotment of 40 per cent. of the traffic, the share of the P. & O. being reduced to 28 per cent. The war brought about the retirement of the Italian and Austrian lines, and the three remaining members then agreed to share the traffic in equal thirds. The N.Y.K. had been

\* There is a fourth Zaibatsu, Yasuda, but this is mainly interested in finance, and is not involved in shipping.

† *British Shipping in the Orient*, pp. 72-4.

‡ Nippon Yusen Kaisha and Osaka Shosen Kaisha.

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admitted after a prolonged struggle in which the decisive factor was the loyalty of the Rengokai to the Japanese line, coupled with the practice—still continued—of buying raw cotton in such a way that its ownership passed into Japanese hands before it left India. The O.S.K. was in turn admitted under pressure from the N.Y.K. In 1925 the two Japanese lines together used their influence to secure for still a third, the K.K.K.,\* rights to participate in the conference, in the shape of a limited number of permitted sailings a year. Lately another Japanese line, the M.B.K., has come into competition with the conference lines, seeking to carry in one direction the products of Mitsui factories and in the other the raw material for them. Its admission to the conference is being supported by the N.Y.K. and the O.S.K., on condition that their own proportion of the trade is not diminished. A still further handicap for the P. & O. is the fact that the "upward" freight rates are fixed, not by the conference, but by agreement between the N.Y.K. and the Rengokai, and are settled at a level which is unremunerative to the British line.

That is a typical example of the way in which Japanese mercantile organisation and national solidarity have driven the wedge further and further into British shipping interests in the East. On the route between Japan and Australia the position is even worse; for the British line (the Eastern and Australian), which was once alone in the trade, now faces three Japanese competitors, takes only a 22½ per cent. share in a freight pooling arrangement, and is threatened with extinction altogether. It can afford neither to go on running its old ships nor to build new ones, in face of the kind of competition that it has to meet. As Mr. W. L. Hitchens, a member of the Imperial Shipping Committee, said in his chairman's address to the annual meeting of Messrs. Cammell Laird and Company :

Perhaps the greatest advantage that Japan has is a unity of purpose and a unity of direction and control which are

\* Kokusai Kisen Kaisha.

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conspicuously absent where Imperial shipping is concerned. A rabble cannot stand up against a highly organised and well-led army, however efficient the units comprising the rabble may be. There is no unity of policy, direction, or control to be found among those States of the British Empire to whom British sea power in the Far East is a matter of life and death.

Because the root of the trouble lies here rather than in finance, the measures of government assistance to British shipping, announced by the President of the Board of Trade on March 28, valuable as they are, cannot by themselves be more than a palliative for the trouble in the Far Eastern shipping trade. The measures include a subsidy of £2,750,000 a year for five years for tramp shipping other than coasting vessels, on the understanding that an international scheme will be reached for adjusting the volume of tramp tonnage to the demand; the appointment of an advisory committee to consider applications for assistance from liner companies threatened by subsidised or otherwise unfairly aided foreign competition, on condition that the liner section of the shipping industry should organise itself to put up the required defence without government financial assistance if possible; the allocation of a maximum of £500,000 a year for the next five years to subsidise, on an appropriate scale, owners of new tramps or cargo liners (other than refrigerated or passenger vessels) ordered in the next few months from United Kingdom shipbuilders; the provision of £10,000,000 for loans to shipowners, on favourable terms, over a period of two years, for the purpose of building in Great Britain vessels of the same class; and the investment of £2,000,000 in suitable vessels on the United Kingdom register which, though still capable of service, would otherwise be sold to foreign owners or for breaking up, the object being to maintain such ships in sound condition as a reserve of tonnage for an emergency.

## AN IMPERIAL AUTHORITY REQUIRED

### III. AN IMPERIAL AUTHORITY REQUIRED

THESE comprehensive and costly measures cannot do other than strengthen the resources of United Kingdom shipping concerns all over the world, and enhance their bargaining power in negotiations concerning freight rates or the apportionment of trade between themselves and their competitors. But there are two reasons why, in the Far East, they can only be a preliminary reinforcement; why, indeed, even if subsidies enabled a whole fleet of new British ships to be built to compete with the fast modern Japanese vessels which to-day attract the custom of shippers in the Orient and the Pacific area, British shipping might still be unable to regain the position that it ought to hold in the wider interests of the British Commonwealth of Nations. The first reason is the fact, already stressed, that Japan presents a united front—merchants, manufacturers, shipping lines, government—to the disarray of British interests. The second reason is that not only the United Kingdom, but also other nations of the British Commonwealth—Australia, New Zealand, Canada, South Africa, India and a number of colonial governments—are intimately concerned with the problem.

In his statement of March 28, the President of the Board of Trade undertook that the Government would continue to take all possible steps to promote the interests of British shipping in connection with trade negotiations with foreign Governments; and that, where a request was made for assistance and where other parts of the British Commonwealth were concerned, the Government would bear in mind the Imperial Conference recommendation that the various British Governments should then consult together. The Imperial Shipping Committee, after stressing the need for greater co-operation between the producers and shippers and the shipping companies, and among the different ship-owners themselves, and for a greater degree of local responsibility in the management of British shipping in



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the East, invited the "early and serious consideration by the Governments of the Empire" of a proposal to develop "some new form of organisation, appointed by the Governments concerned and specially charged to watch over British shipping in Middle and Far Eastern waters".

The proposal, though put forward by the Committee only for consideration and without recommendations on details, implies a far-reaching reform. At present there is no authority capable of formulating and carrying out a British Commonwealth shipping policy. The Imperial Shipping Committee is but an advisory body which undertakes specific investigations, without any executive power. The Imperial Conference considers shipping questions in general terms, but it meets infrequently and has no continuing authority, indeed no joint executive authority of its own even when it is assembled. The only sample of a permanent all-Commonwealth authority armed with administrative powers and the funds to carry them out is the Imperial War Graves Commission, whose record is one of unbroken success. Some such organ is urgently needed for shipping. A special case has been made out for action on these lines in respect of shipping in the Orient. Such an authority should be possessed of funds, subscribed in fair proportions by the participating governments, for the necessary subsidisation of shipping under any British flag, and should have authority to impose terms before the subsidies are granted or other aid given.

The latter condition is important because, unhappily, some of the British shipping lines have been far from doing everything possible for themselves in the way of economic management, modern methods, and service to passengers and shippers. Among travellers in the Far East, British lines are notorious for a lack of friendliness, evident will to please and attention to detail in service, which their competitors are able to show without sacrifice of anything but stiff-necked pride. If their commercial methods are equally unaccommodating it is no wonder

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that they have been losing ground. These and other defects must be remedied; for, if the British lines will not help themselves, no one else can help them. Yet that is no reason for failing to tackle at the same time the problem of Commonwealth co-operation, which is equally urgent.

The nations of the British Commonwealth that participate in the Eastern trades are jointly rather than severally concerned, first because their national prosperity is closely linked with the prosperity of the whole Commonwealth through strong ties of trade and finance, and still more, secondly, because the strength of the British mercantile marine (including vessels on the registers of all parts of the Commonwealth) is a vital defensive asset to a group of nations who live by the sea and will stand or fall by their power upon it. Their separateness of purpose in shipping matters is a danger to them all, because it undermines their ability to protect their rights and interests against more determined and more united competitors.

The Imperial Shipping Committee cite the history of the Java-Japan Conference as an example of successful defence against intense and concerted Japanese competition by firm, combined action by shipowners, merchants and government. It would be difficult—though it is highly necessary—to imitate this example in the trades in which British shipping has felt Japanese competition most keenly—difficult, because not one but several British Governments are concerned, and because there is often no sense of common interest between the exporters or importers and the shipowners. These obstacles must be overcome. That means a readjustment of ideas in many quarters, not least among the shipowners themselves.

India's co-operation is the most necessary, and the most difficult to secure, since she conceives of herself as the half-emancipated victim of a British shipping monopoly. If the full co-operation of the Government of India is to be secured for the defence of British Commonwealth shipping interests, and if Indian shippers and importers are

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to play their necessary rôles in that defence, then India must first feel assured that she stands on a footing of practical equality in shipping matters with other members of the Commonwealth, and that her own shipping will benefit as fully as the shipping of the United Kingdom and the Dominions from any effort in the face of Japanese and other foreign competition. This will presumably require the abrogation of the agreement between the British India company and the Scindia company, the premier Indian shipping line, whereby the latter undertakes not to interfere with the established oversea trades of the P. & O. and B.I. companies. But it requires still more a spirit of friendly and sympathetic co-operation between the British and Indian shipowners.

In Australia and New Zealand there is no such initial distrust to be overcome. What is needed there is a fuller appreciation of the meaning of shipping strength to the whole British Commonwealth, and of the short-sightedness of neglecting the shipping interests that serve them, simply because these interests are owned by United Kingdom capital. The Imperial Shipping Committee rightly describe a sense of partnership between the shipowners and the mercantile community as a condition of any effective competition with the Japanese in the Orient. The appointment of an all-Commonwealth body to mount guard over British shipping interests in the East would do much to focus popular attention on this matter as a problem of common concern to the British nations. But that should be only the start of a campaign of education, in the course of which many minor grievances of merchants against shipowners, or governments, would no doubt be brought to light and duly remedied; and British shipping lines themselves increase their efficiency, and improve their relations with passengers and shippers, modernising their outlook at the same time as they modernise their equipment.

# AMERICA PREPARES

## I. PUBLIC OPINION AND EUROPE

AN estimate of public opinion, such as this article presents, needs to be backed by some credentials. In recent months the writer has travelled over much of the East and Middle-West of the United States, after crossing the continent less than a year ago; while Washington, from which these pages are sent, is a cross-roads whither all regional viewpoints are conveyed by Congressmen and their constituents. Moreover, there has been developed in the United States during the last five years a remarkable instrument for measuring public opinion, the Gallup poll, which has been proved broadly accurate in several tests at the ballot boxes.

All these surveys show substantially the same things: that the American people want to stay out of war—that goes without saying—but that they also want to give all possible assistance to Great Britain and France, short of actually going to war. There is, moreover, a widespread belief that a new European war may be on its way, and a distinct fear that America will be drawn in eventually if war does come. Finally, there is an overwhelming support for the national defense program.

These boiled-down sentiments contain elements of paradox, of course. Some of the sentiments may cancel others. Thus, the fatalistic expectation that the United States would be involved in war if it breaks out makes vain the hope of remaining isolated. The desire to aid Great Britain and France cuts straight across the penchant for "neutrality" that exists simultaneously. Senator Borah, determined isolationist that he is, clarified the whole

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issue the other day when he said: "Haven't the people already made up their minds who is right and who is wrong? The thing that is uppermost in my mind is that there is no neutrality at this time because of conditions that exist in the world."

This American feeling has been steadily mounting, under the pressure of events. In the 'twenties, the prevailing viewpoint was isolationist. No more participation in foreign wars, said the man-in-the-street. As late as 1935 and 1937, neutrality legislation was zealously being written into the statute books. According to Dr. Gallup's polls, the American people clung to their isolationist straws all through the Ethiopian, Chinese, and Spanish crises. At the time of the conquest of Ethiopia, for instance, seven out of ten Americans said that they opposed the idea of joining with the League Powers in sanctions against Italy, even economic sanctions. Over the war in China, some two-thirds of the people—according to Dr. Gallup's weighted cross-section of the public—were opposed to sending war supplies to the Chinese or boycotting Japanese goods. "Hands-off" was the overwhelming attitude toward the Spanish civil war, and our embargo on arms shipments remained law until the end.

But Herr Hitler has changed the American public's mind. He has ended American reluctance to ship food and war materials to our former allies. Before Munich, a majority of Americans favored sending food supplies to the British and French in case of war but objected to sending war materials. After Munich, the majority for sending food supplies increased materially, and a majority swung over to the idea of shipping war materials as well. After the liquidation of Czechoslovakia in March, the vote was: favoring sending food supplies, 82 per cent.; favoring sending war materials, 57 per cent.

Let no one think that these ideas are limited to the Atlantic seaboard. The old notion that there was a

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fundamental difference between Eastern opinion and the Middle West has been strikingly disproved by the Gallup poll.

American concern for what is happening in Europe (writes Dr. Gallup) overspreads all sections of the country. In states like Minnesota, Wisconsin, Iowa, Kansas, Nebraska, Missouri and the Dakotas—strongholds of isolation sentiment in the past—an average of six persons in ten say that the United States should sell war materials to her former allies in case of war.

Uniform reactions in all parts of the United States were recorded after Hitler's moves against Austria and Czechoslovakia, and his repressive measures toward the Jews. Even if the Gallup poll were faulty at root—and most American political observers have been deeply impressed by its accuracy—the fact that it returns a uniform reaction is still significant.

An important majority—averaging 62 per cent.—in all parts of the country replied to questionnaires that they felt the totalitarian Powers would represent an immediate menace to the United States if they won. A Virginia schoolteacher said: "I'm in favor of sending food and war supplies to England and France. I don't see how the democracies could win without some help from us along that line—and if they lost it would only be a matter of time until we'd be hemmed in by the dictators ourselves." A Wisconsin salesman and war-veteran said: "I'd want to see the United States stay out, but I'd sure hate to see England and France go down. After all, they do stand for our way of life."

The people are more than six to one against sending American troops abroad. Here, perhaps, public opinion does not realize the consequences of its own un-neutrality, and gives way to wishful thinking. Thus, a New York state banker said: "We ought to help the democracies up to a certain point. But let's stay out of war. If Europe's foolish enough to start another one, it'll only leave America stronger in the end."

Moreover, the public is not convinced of the complete

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justness of the British and French case against Hitler. A sizeable minority think the allied Powers were unfair to Germany immediately after the war. The reasonableness of Hitler's claim for a route across the Polish Corridor and even for Danzig impresses American opinion, and toned down reaction against his Reichstag speech of April 28. A majority of Americans—according to Gallup-projected figures—would favor a new international peace conference if it would settle the claims of Germany and Italy in a manner that gave assurance of a just peace.

All these pollings and estimates mean that American public opinion in general supports President Roosevelt's positive foreign policy without necessarily being committed to details. Opinion, it may be hazarded, is about ready to go one step farther, and may have done so already. For, if the United States is so eager to keep out of war, why not keep out by assisting in every way to prevent the outbreak of war? That is the touchstone to support of the President's policies today. So long as the public is convinced that Mr. Roosevelt is sincerely and ably seeking to prevent the coming of war, it will support his policies. Such support was abundantly forthcoming when the President sent his message to Hitler; for the public felt that this was a peace gesture made upon a threat of imminent war. But for other actions, which seem more like moves in a game of power politics, there is far less public support. Indeed, there is a latent mistrust of Mr. Roosevelt's personal impetuosity and experimentalism when projected upon the international plane. If the idea once got planted, and was supported by events, that the President was playing politics with peace to support third-term ambitions, or that he was under the influence of "international bankers" (which is Henry Ford's personal euphemism for Jews), then public revulsion might go far and fast.

So far, however, the President has not got too far ahead of public opinion, and the dictators have been giving him

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the most powerful kind of assistance. When public opinion seems to lag, Berlin or Rome usually produces the shock that is necessary to spur it along. The increasing vigor of opinion is therefore almost entirely the result of events overseas. The President's "educational" campaign, without the help of events, might well have produced an opposite effect and made public opinion mistrust his motives.

The President's support is bi-partisan, and the polls record no substantial difference between Republicans and Democrats in their attitude on these issues. Isolationist leaders are to be found among the senatorial leadership of both parties. But the more vigorously Republican isolationists attack the President personally, the more likely are they to consolidate Democrats behind him. And, so far, isolationist attacks have shown a tendency to act like a boomerang. Thus, when Senator Taft, the other day, charged the President with trying to "ballyhoo" the foreign crisis in order to hide his domestic failures, he was severely rebuked by his own Republican newspapers.

The best definition, and the highest praise, for the President's current efforts came in a *Washington Post* editorial, which Mr. Roosevelt said was "very good, very clear, very honest". The editorial was written by Felix Morley, the *Post's* editor, a former Rhodes Scholar. He was interpreting the President's statement on ending a holiday in Georgia: "I'll be back in the fall, if we don't have a war"; and he emphasized "the tremendous implications of the impending catastrophe for every citizen of this country". Plainly referring to Senate isolationists, the article said:

In spite of the best-informed warnings to the contrary, many still believe that another world war might leave the United States relatively undisturbed. In spite of the virtual certainty of American involvement there are many who would seek to achieve isolation by panicky legislation, or to seek shelter behind other paper guarantees of immunity.



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Asking what Mr. Roosevelt meant by "we" when he said "if we don't have a war", the *Post* continued:

He undoubtedly meant western civilization. A war affecting its foundations would immediately affect us vitally, whether or not the United States was at the outset physically involved. . . .

Until it is started, another world war is not inevitable. It can still be averted if the free nations are willing to show that they will take a stand before it is too late. Pressure from the Rome-Berlin Axis will not ease until it reaches the point of serious resistance. Then only can a different and honestly conciliatory attitude be expected from the dictators. Nothing less than the show of preponderant force will stop them, for force is the only language which they understand. But, like less exalted bullies, force is to them a real deterrent.

In using the collective "we" the President told Hitler and Mussolini, far more impressively than he told Warm Springs, that the tremendous force of the United States must be a factor in their current thinking. He told the Axis powers that the Administration is far from indifferent to their plottings. He made it plain that a war forced by them would from the outset involve the destinies of a nation which, as they fully realize, is potentially far stronger than Germany and Italy united.

To make that plain at this crucial time is to help in preventing war. To make the dictatorships realize that there is a limit to unresisted aggression is in itself to set that limit. It is on that incontrovertible reasoning that the French have stiffened their policy. It is on that reasoning that the British are laying down a deadline. It is on that reasoning, through the application of which peace can be saved, that President Roosevelt properly links the United States with the eleventh-hour effort to avert a shattering disaster.

This was the definition of policy that President Roosevelt obviously could not utter himself, but upon which he did not fear to set his imprimatur. That indicates how far the United States has come in recent months. For Mr. Roosevelt is an acute politician, and he has experienced the hazards of getting too far in front of public opinion.

## II. ARMS AND THE EAST

WHATEVER may be the minor or major divergences of American opinion over the President's broad policies, there is scarcely any disagreement at all over the

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armament program. And this factor, of course, may be decisive in the end. The present Congress will appropriate well over \$2,000 million for national defense. With its shipyards working at capacity, its factories producing modern military equipment at an accelerating tempo, and its aircraft industry soon to be placed on a semi-wartime footing, the United States is beyond any doubt far better prepared for conflict than at any previous moment in its peace-time history. These armed forces are of course an important element in the game of power politics. They are the United States' trump card. Their existence was what the President wished particularly to underline when he endorsed the *Post* editorial. The new navy is an important factor in the world balance of power, the potential development of land forces of the magnitude now planned makes possible their use in oversea conflicts, and the expansion of the American aircraft industry offers a vital source of supply for the European democracies.

On January 12, President Roosevelt delivered his national defense message. Within three months—and that is very short for American legislative action—Congress was more than halfway through completing authorizations and appropriations for the \$2,000 million annual building program. Two tremendous Bills have already been signed by the President: the \$358 million emergency army expansion authorization Bill, of which \$300 million is for a bigger American air force, and the \$513 million regular army appropriation Bill, which provides the funds necessary to carry the army through the first year of its expanded activities. The \$65 million naval base Bill has passed the House and at the moment of writing is on its way through the Senate. The regular naval appropriation Bill is on its way through the House, where the original estimates have been boosted to a current proposed total of \$759 million. A deficiency appropriation Bill including items not ready when the regular army budget was passed has now been brought forward, raising the

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totals by over \$116 million. A dozen other minor items of national defense are coming along. The navy has asked for two battleships of up to 45,000 tons. In all probability, within a short time the United States will have under construction eight capital ships of 35,000 tons or more.

Debate or public discussion of these gargantuan measures has been perfunctory. Isolationists have raised no outcry. The army expansion Bill passed the House by 367 to 15 votes, and 77 to 8 in the Senate. The naval base Bill went through the House by 368 to 4 votes. The House refusal to appropriate \$5 million for developing harbor facilities in Guam is likely to be reconsidered.

The navy now being built is considered sufficient to guarantee an area of predominance, within which American forces would be reasonably free to operate, extending from the Aleutian islands off Alaska to a point west of the Hawaiian islands, to Samoa, the Panama canal, the Caribbean, and up the north-east coast. Development of Guam would greatly extend the line in the Pacific, and further acquisition of bases in and adjacent to the Caribbean would put a salient on the American line in those waters.

The American fleet has recently been concentrated in the Pacific. Why? Perhaps the best answer was given indirectly in an article that Lord Lothian wrote in the *London Observer*. He said :

Great Britain in the past has seldom had more than one, or at most two, naval enemies to meet at the same time. But to-day, and so long as the anti-Comintern Powers exist as a military combination, she may have to face a naval war in the North Sea, in the Mediterranean and the Far East at the same time. That is to say, a two-armed man may have to fight a three-armed enemy—a most difficult and, in some circumstances, an impossible task.

Transfer of the American fleet to the Pacific, with much of it to be concentrated at Honolulu, means that the United States is freeing Great Britain from one of its three potential enemies. The American fleet is taking up the job in the Pacific. It is quite apparent that, even in the

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present evolving state of national opinion, the United States Government cannot give a hard-and-fast guarantee that its fleet will protect Malaya and Australasia. Public opinion will not support guarantees. But statesmen have to make their calculations on the basis of other factors. And in view of all the circumstances it is clear that the United States is taking a stand against Japan. Mere transfer of the fleet, the cables from Tokyo speedily indicated, prevented Japan from cementing its alliance with the Axis.

American naval authorities recognize the difficulties of operation in Far Eastern waters. But their fleet is tailored for long-range work. It is already based at Pearl Harbor, almost in mid-Pacific. If the Guam proposal goes through, it will present a far stronger threat. And there is Singapore to be remembered. Over a year ago an important American officer conferred with the Admiralty in London, and explored the possibilities of naval co-operation in the Far East. There is little doubt that part of the American fleet would move into Singapore in the event of a Far Eastern threat, and might even go there if Japan made any overt action against the Dutch or British possessions in Malaya. Indeed, some American officers believe that the fleet at Pearl Harbor would constitute a real deterrent to Japanese operations as far south as the Dutch East Indies.

A stronger British and French line in Europe will certainly stimulate a stronger American policy in the Far East. If the two hands are vigorous and firm in Europe, the one hand will doubtless be firm in Asia. Development of a more active American policy in Asia is fairly recent. Hitherto, interest has been concentrated on Europe. But it is beginning to be seen that if Great Britain's hands can be freed in Asia her European policies will grow more resolute. Hence the importance of sending the American fleet to the Pacific one day after the President's message to Hitler, shortly after the British guarantee to

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Poland, and shortly before the decision to apply conscription. The interaction of events was very clear. That is the way the United States can co-operate with the grand alliance led by Great Britain and France.

### III. THE PRESIDENT'S HOLD

AND now what of internal affairs? The President's authority in Congress is no weaker than it was three months ago, and events have perhaps improved his position. The jockeying into position for the presidential nominations, still a year off, is vigorously proceeding, and produces much uncertainty. Before many recent quadrennial elections, the nominees of both parties were pretty clearly indicated at this stage in the cycle. To-day we are in the fog.

President Roosevelt maintains complete poise and equanimity. The graver world developments become, the more likely he is to be nominated and elected for a third term. Such a result is by no means a probability. Far from it. But it is significant that politicians constantly agree that the only circumstances under which the President could be nominated and re-elected would be a war or a crisis threatening war. Mr. Roosevelt may therefore be enjoying a little cosmic jest. The reason for his easy inaction may be that he expects to walk in at the last moment, when "Draft Roosevelt" has become inevitable. This is political speculation. It is still out of tune with actual events, which show a strong reaction in the Republican direction. Much of the President's domestic program is bogged down.

However, in certain fields which count very much, he is making real progress. The bare bones of a reorganization Bill went through Congress. Contrary to expectation, the President has been able to make a good deal of the skeleton. He is issuing three sets of plans, one for amalgamating many of the scattered bureaus and agencies that

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make up the octopus federal government, another for re-shuffling many functions between the established departments, and a third for bringing about order within single departments. For many decades, genuine reorganization of the federal government has been defeated by numerous selfish interests. We put up with disorder because it fitted in with the American principle of checks and balances. But now the President is going ahead with changes, long overdue, which will modernize the federal plant, will "keep the tools of American democracy up to date", as Mr. Roosevelt said in an eloquent message to Congress. He was seeking, he said, "to make democracy work—to strengthen the arms of democracy in peace or war and to ensure the solid blessings of free government to our people in increasing measure". Even in this message on domestic affairs, the President emphasized "or war," and he further said :

In these days of ruthless attempts to destroy democratic government, it is baldly asserted that democracies must always be weak in order to be democratic at all; and that, therefore, it will be easy to crush all free states out of existence. Confident in our Republic's 150 years of successful resistance to all subversive attempts upon it, whether from without or within, nevertheless we must be constantly alert to the importance of keeping the tools of American democracy up to date. It is our responsibility to make sure that the people's government is in condition to carry out the people's will, promptly, effectively, without waste or lost motion.

In achieving these practical and widely extended reforms, toward the end of his present term of office, the President is setting up a real monument to himself. Of no less significance is the final re-shaping of the Supreme Court. Four Roosevelt appointees now sit on the bench, joined by another—Mr. Justice Stone—who substantially agrees with the general viewpoint of the new legal liberalism. Therefore the basic objectives which the President sought in the Court fight of 1937 have now been attained. He has re-fashioned the tribunal for some years to come,

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perhaps for many years, and it is quite possible that he will have one or two other appointments to make. The Court is pointed toward a new interpretation of the basic law, a flexible view on the constitution, a lessening of legalistic interpretations of corporation rights, and a firm orientation upon the modernized Holmes doctrines. Historically, President Roosevelt's achievement with the Supreme Court may be one of his greatest domestic successes. His threat to "pack" the Court in 1937 plainly had a considerable, if indirect, effect on the result; for the voluntary retirements that caused three of the four vacancies took place in response to the wide public outcry, not in support of the President's specific method, but in favour of some sort of Court reform.

### IV. THE VISIT OF THEIR MAJESTIES

AMERICANS look forward to the impending visit of Their Majesties King George and Queen Elizabeth with genuine and eager interest, and a gratifying degree of comprehension. That is to say, few people are making the blatant charge, which might once have been widespread, that the visit is for propagandist purposes. The American people are a little surer of themselves, perhaps, than when this charge would have been general. The visit has been handled very discreetly, with little fanfare, and few public appearances. It is indeed a difficult problem for those having it in charge, especially in connection with press coverage, but the plans for the tour minimize all such difficulties.

It is fairly safe to conclude that the trip will be carried off in the same spirit. President and Mrs. Roosevelt have a sure touch for these things, and it is certain that the engaging modesty of Their Majesties will remove the obvious difficulties of a visit to the United States. More seriously, Americans are likely to appreciate the compliment of the visit all the more for its brevity and absence of

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parading; and its symbolism at this moment in world history is likely to be all the more deeply felt for being less emphasized.

Designation of the Marquess of Lothian as new British Ambassador here evoked a warm response in the many circles where Lord Lothian is well known. Not for many years, it was universally commented, has there been the prospect of a British Ambassador here with such wide knowledge of the United States. Newspapermen, in particular, looked forward to the change because for some time past the British Embassy has maintained an aloofness which has discouraged contact, while Lord Lothian is already an old friend to many in the press corps here. On his many visits to Washington, Lord Lothian usually made it a point to visit Capitol Hill, and he has plenty of friends in the Senate, among them many isolationists. To some perceptive observers, Lord Lothian's coming is particularly significant because he understands so well the viewpoints of all the member nations of the British Commonwealth.

His continuing interest in Americans and their ideas (wrote the *New York Times*) has been vouchsafed by his work as secretary of the Rhodes Trust, which administers the Rhodes Scholarships, and as editor of *THE ROUND TABLE*, a periodical which has had as one of its purposes the fostering of a clearer understanding and a closer harmony of interest among the English-speaking peoples. He will now have an opportunity to pursue this aim on a much grander scale, at a time when there is no more important mission in the world than to place the relations of Great Britain and the United States on the basis of complete frankness and mutual confidence.

United States of America,  
May, 1939.



# THE DEFENCE OF THE NETHERLANDS INDIES

*By a Netherlands Correspondent*

## I. THE STRENGTH AND WEAKNESS OF JAPAN

POLITICAL developments in the Far East since the middle of the nineteenth century have not left the Netherlands colonial empire in east Asia undisturbed. But it is principally the world political contest of the last few years that has directed public attention to this rich archipelago and to the place that it occupies in the strategy of the Powers. This is not because armed conflicts are staged or threatened in the Far East itself, but because each fresh complication in foreign politics affects the course of events elsewhere, each move on the political chessboard being made in the light of this world-wide interdependence.

The outstanding factor in Far Eastern affairs has been Japan's rapid rise, in little more than half-a-century, to the position of an industrial and commercial maritime Power of the first rank, navally and militarily almost impregnable. Consequently, Japan's strategic position, with its closely interwoven geographical, political, economic and ideological strands, must form the background for any study of defence problems in that part of the world.

A glance at the map of the Pacific and its coasts \* shows that the key to strategy in that wide stretch of water is the possibility of a naval concentration in its western part. Here Japan's position is nearly ideal. On one side, she looks out upon a vast ocean, a great part of which she can command with a powerful navy based on well equipped and

\* See p. 533, above.

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fortified home ports; while for raids she has at her disposal the Kurile islands in the direction of the Aleutians, Pelew in the direction of New Guinea, and the Marshall group in the direction of Hawaii; and finally the Luchu islands, with Formosa and Hainan, pointing from the China seas to Hong Kong and Singapore. On the other side Japan faces only inland seas, behind which lie extensive territories—Korea, Manchukuo, North China—which are under her command or suzerainty and which constitute her economic province.

The British Empire, by contrast, with its interests spread throughout the world, divided by oceans, requiring everywhere the protection of the British navy, possesses in eastern Asia one strong naval base—Singapore—and one advanced point of support—Hong Kong. The latter is very vulnerable, leaning as it does against mainland territory occupied by Japan, and with Hainan, also in Japanese occupation, threatening the flank of its communications with Singapore. On the other side of the Pacific, the United States, 5,000 miles distant, has at present only one well equipped and fortified advanced base, Hawaii (Pearl Harbour), which is no nearer than 3,400 miles from Yokohama. Part of the American fleet, moreover, will always have to remain in the Atlantic. The third interested great Power is France, as the imperial guardian of Indo-China. She has bases at Saigon, Kamranh bay and the Gulf of Tonking, the last of which, however, is liable to be cut off by Hainan. France has a strong navy, but it is almost entirely confined to the Mediterranean and west European seas. Farther away are Australia and New Zealand, with comparatively feeble naval forces and mainly dependent for protection on the British navy.

In Japan's strategic position there are a few weak points. In the first place, she lacks raw materials and needs oversea outlets for her industries; to this point further reference will be made later. Then there is the Russian Asiatic mainland, with Vladivostock as its port, from which the

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Japanese islands can be threatened by air raids, and the Japanese mastery of the sea by submarines. In the future, a third potential menace might arise from the north-east, in the shape of a Russo-American combination, with the Aleutian islands and Petropavlovsk in Kamchatka as starting points. But the favourable factors outweigh the unfavourable. No political combination is conceivable that could compel the Japanese fleet so to spread itself that its hegemony of the western Pacific would be lost from the start. Japan has a maritime strategic position that makes invasion by armies impossible. An overseas expedition of the necessary size would require an absolute command of the sea, as well as points of support near the Japanese Empire, neither of which conditions can be fulfilled.

Japan's unique position is the decisive element in the strategy of any conflict that may take place in the Pacific. This conflict, if it comes, will be a naval one, a struggle for mastery of the seas, and for the destruction, on the one side, and on the other the protection, of Japan's vital overseas communications. Only economic exhaustion of the island Empire could lead to her defeat. That this method would certainly be effective in the long run is the conclusion to be drawn from Japan's dependence on her import and export trade for her enormous requirements of raw materials and for the sale abroad of the products of her industries.

It is not necessary to enlarge on this problem to realise that, if Japan's communications with countries other than Manchukuo and China were cut, once existing stocks were exhausted there would be a scarcity of mineral oils (fuel oil), bauxite, rubber, tin, nickel, cotton, wool and possibly iron ores—not to mention the stoppage of the export trade, which has always been regarded as a vital factor in Japan's existence. A successful attack on Japan's communications with her own overseas territories and with the Asiatic mainland, moreover, would make impossible the supply of coal, ores and oils from China and Manchukuo.

Even an economic bloc consisting of Japan, Manchukuo

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and China would be dependent, under present circumstances, on imports of mineral oils, bauxite, rubber, nickel, cotton and wool, of which the Netherlands Indies are among the principal suppliers, as well as the United States, Australia, British India and South Africa. In this connection, too, there are many shipping lines to and from Japan which call at the East Indian islands or pass close to them.

### II. THE IMPORTANCE OF THE INDIES

THE Netherlands Indies archipelago forms, so to speak, a bridge between India, Malaya and Indo-China on the one hand and Australia on the other. Two of the three sides of a naval triangle, the corners of which are situated at the naval bases of Singapore, Hong Kong and Port Darwin, pass through the Netherlands Indian seas and territories. These islands produce raw materials of vital strategic importance, such as oil, tin, rubber and bauxite. They are the link between two large oceans crowded with merchant vessels. Here many of the shipping routes converge in narrow channels between the islands.

Apart from the Panama and Suez canals, there are few spots so sensitively situated as the Netherlands Indies. At that point, in any Pacific conflict, would be staged the struggle to protect or block the trade routes, to attack the enemy economically, to destroy his arteries, to prevent him from undertaking military expeditions. The Malay archipelago may become the theatre of a war for raw materials.

The traditional policy of the Netherlands Government is one of independence. The Netherlands takes care not to be mixed up in quarrels between other nations. It does not desire alliances, but wishes to be and to remain itself, and to have normal relations with all countries. This policy requires the maintenance of strict and unshakable neutrality. If war should take place, the rules of neutrality would then be interpreted and applied impartially in every direction. Strength is necessary in order to prevent that

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neutrality from being infringed by others and to counteract any such infringement.

There is nothing in which the people of the Netherlands are so united as in this conception of neutrality. The League of Nations, respected as its ideal of collective security may have been, did not succeed in undermining the Netherlands policy of independence. In 1935, it is true, during the Italo-Abyssinian war, the Netherlands, faithful to the Covenant of the League, joined with many other countries in economic sanctions against Italy. But as recently as 1927, when the League was still in the full bloom of its short-lived career, the Netherlands Government drew up rules for defence in the Indies which were based on the principle of maintenance of neutrality. It was realised that in this extensive island empire small auxiliary ships for patrol and similar services were not sufficient, and that a more powerful force was necessary for preventive and repressive purposes. The main object was to be and to remain neutral. If the Netherlands were involved in a war, the oversea territories were to be defended "with the means available for the maintenance of neutrality".

Other factors justified this somewhat negative policy in 1927. The political atmosphere was calm. There were no threats of war in Europe and no direct danger in the East. Germany was still a country vanquished after an exhausting war; Italy did not yet play a preponderant rôle in the Mediterranean; in Japan, internal political conditions favoured peaceful economic expansion, combined with a moderate foreign policy towards China. The Washington naval treaty had limited Japan's strength on the high seas. Though she had become the mandatory Power for the ex-German South Sea islands, and had thereby stretched out her tentacles to the south, she was prevented by the terms of the mandate from fortifying these islands and turning them into naval bases; and the Washington treaty added a like prohibition regarding her other island possessions in the Pacific. This treaty also led to a declaration

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by Great Britain, the United States, Japan and France that they would "respect the rights of the Netherlands in relation to her insular possessions in the region of the Pacific Ocean". Singapore was being developed into a first-class naval base; the political situation still allowed Great Britain to concentrate her fleet in east Asiatic waters if need be. The Preparatory Commission for the Disarmament Conference was sitting, and although it did not give much promise of success there was nevertheless a general tendency, which had originated at Washington, to reduce naval armaments.

In the then existing circumstances, a small but efficient Netherlands navy, holding to some extent the balance between belligerents, would have been a factor of some importance. It would have constituted a desirable ally, or would have served to prevent violations of neutrality. The Netherlands therefore built a fleet of small vessels, of which the submarine as a torpedo arm was the core, and which was completed by the addition of some light cruisers, destroyers and seaplanes. To the Netherlands Indian army, numbering two divisions in Java, was entrusted the maintenance of neutrality and defence against invasion. The most important points in the outer possessions, such as the oil ports of Balikpapan and Tarakan on the east coast of Borneo, were fortified and garrisoned. Otherwise, the task of the army was to preserve internal order.

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A COMMITTEE appointed by the Government in 1912 had reached the conclusion that the defence of the Indies required a strong battle fleet, consisting of five dreadnoughts, six scouts and eight destroyers, as well as submarines, torpedo boats and minelayers. At that time, political conditions in Europe were gradually becoming more critical, and a conflict seemed to approach that would confine the British and French navies to European waters,

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with all the consequences which this would entail in the Far East. The committee's report was not acted upon because soon afterwards the world war broke out and the Netherlands succeeded in remaining neutral. The strain placed on the navy in the Indies from 1914 to 1918, in spite of the fact that the actual theatre of war was so far away, exposed its numerical weakness; nevertheless, the programme recommended by the committee remained unexecuted.

In 1930, the strength of the navy in the archipelago was definitely fixed on the basis of the 1927 programme referred to above. It was to consist of 3 light cruisers, 2 flotilla leaders, 12 destroyers, 16 submarines and an air force of 60 seaplanes. Small craft for local defence, such as gunboats and minelayers, would complete the fleet, a part of which would form an unmanned reserve. In 1933, when economic conditions became unfavourable, another government committee was appointed with instructions to report how 30 million florins could be economised on the defence budget for the Netherlands and the Indies.

Gradually, however, the inadequacy of the 1930 programme became obvious, and it was realised that the relative strength of the Netherlands navy declined as the political outlook grew more menacing and rearmament in other countries became the order of the day. Germany threw off the shackles of Versailles. Italy demanded territorial expansion as well as the command of the Mediterranean, and conquered Abyssinia in spite of sanctions and a British naval concentration. In Japan, the imperialist idea made headway, and the influence of the army greatly increased, leading to the conquest of Manchuria, to penetration in North China, and eventually to the present war with China. Ideological factors, ranging "the totalitarian States against the democracies", and the emergence of a Japanese Monroe doctrine for the Far East, where a "new order" was to be created under the exclusive authority of Japan, began to cause irritation and

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uneasiness in Holland. The League of Nations weakened, and of collective security practically nothing remained.

Since 1937, following Japan's denunciation of the Washington naval treaty, there have been practically no treaty restrictions on naval building, and the liberty to construct naval bases in any part of the Pacific zone has been restored. The United States, furthermore, has decided on withdrawal from the Philippine islands; after the expiry of the 10-years transition period laid down in the Tydings-McDuffie Independence Act, the Philippines are to become a completely independent Commonwealth. After the formal declaration of independence, however, negotiations will take place for the retention of an American naval base in the islands. The desire of the Philippines to be independent has probably been moderated, since the Act was passed, by the symptoms of Japanese imperialism and by recognition of the economic troubles that will result from the loss of a protected market in America. Moreover, the tendency to extend the chain of American naval bases in a westerly direction from Samoa *via* Midway island to the Aleutian islands (Dutch Harbour), with Guam as an advanced post, does not point to withdrawal. Nevertheless it would be dangerous to rely on rapid and decisive action by the United States in the western Pacific.

The general political situation, and the feverish rearmament that is taking place in almost every country of the world, have profoundly altered the trend of public opinion in Holland. The Netherlands people are now keenly in favour of strengthening defence at home and overseas by all possible means as quickly as possible. However, it takes time to make the defence forces equal to the heavy task that they will have to fulfil in the Mother Country and abroad. Armament manufacturers and shipbuilders are overloaded with orders, prices are high and deliveries slow. Even the modest naval programme of 1930 is in arrears, though the leeway is being made up. Coast defence at



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home, and the protection of merchant vessels, are problems still to be dealt with.

The Netherlands Indian army has been strengthened with modern equipment and with an efficient air force, consisting principally of bombers. But the vital and vulnerable naval position of the archipelago continues to call for anxious attention. The present strength and composition of the navy, based on the 1930 programme, do not give security. The fact that the British and French fleets, at least at the outset of a world war, must remain concentrated in European waters; uncertainty about the future of the Philippine islands, and an equal uncertainty about American naval action in the south-western Pacific; Japan's southward penetration, which already approaches the Equator, now that Hainan and the Spratley group have been occupied; the fortifying of the Japanese mandated islands: all these factors combine to intensify the uneasiness felt by people in Holland, who realise that an attack on their tropical Empire must now be considered a possibility.

In an archipelago as extensive as the whole of Europe, land forces alone cannot assure security. A fleet strong enough to contest unaided the command of the local seas is indispensable. In a naval war, the aggressor will have to reckon with the great Powers, even though these may be unable to have the main body of their ships on the spot in the early phases of the war. In order to be on the safe side, he will therefore have to employ a much greater force of ships than the force opposed to him, greater in numbers and in types. But the ships thus indicated as necessary are precisely those which he will be most anxious to keep intact, in order to meet the menace which sooner or later he is sure to have to face from another and more powerful quarter. A Netherlands battle-fleet, even of moderate size, would therefore have a great preventive value.

Hence the demand which is making itself heard in the

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press and Parliament of Holland for the addition of battle-cruisers to the ships in commission and on the stocks. The following are already in course of construction: two 8,300-ton cruisers, one light cruiser of 3,300 tons, four destroyers, and nine submarines, as well as a number of small craft. If two or three battle-cruisers of between 20,000 and 30,000 tons are added, the entire strategic aspect in the Far East will change. In view of the well-known character of Netherlands policy, this naval effort will not only benefit the Netherlands but will equally serve the interest of all peaceable countries.

# CANADA AND THE WAR DANGER

## I. PARTY LEADERS AND THE CRISIS

THE ominous aggravation of the international tension has impelled the political leaders and the people of Canada to give careful consideration to the possibility of their country's becoming involved in another general war.

Under the present régime at Ottawa, there has been a persistent disposition to treat foreign affairs as secret mysteries, the conduct of which must be reserved for the Minister of External Affairs, who in Canada has always been the Prime Minister, and his officials. Not only is the public rarely given information through official communiqués, but Parliament also has been sedulously discouraged from inquiring into the general foreign policy of the Government and its actions in this field. Undoubtedly the motive for this secretive attitude can be found in the justifiable conviction of Ministers that, on account of the sectional cleavages of the country, commitment to any definite line of foreign policy could not fail to breed bitter domestic controversy and impair Canada's national unity, whose maintenance they have always held to be a paramount consideration.

Consequently, from the date of the September crisis until the meeting of Parliament on January 12, the Canadian public received only the scantiest enlightenment from its Government about the international situation. Both the Prime Minister, Mr. Mackenzie King, and the Conservative leader, Dr. Manion, gave their warm commendation to the settlement achieved at Munich, and bestowed high praise upon Mr. Chamberlain for the part that he had

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played in it, but thereafter they both relapsed into almost complete silence on the subject of foreign affairs. Nor was much enlightenment forthcoming from the debate on the Address. Dr. Manion made no serious reference to the international situation, and Mr. Mackenzie King contented himself with some brief *dicta* on the subject. A passage in one of his speeches, however, attracted widespread attention. After declaring that before Canada entered into any war Parliament would be consulted, Mr. King proceeded to cite with approval certain quotations from a speech delivered by the late Sir Wilfrid Laurier during the debate on the Naval Service Act in 1910. The most important of these quotations ran as follows :

If England (said Sir Wilfrid) is at war, we are at war and liable to attack. I do not say that we will always be attacked; neither do I say that we should take part in all the wars of England. That is a matter that must be guided by circumstances upon which the Canadian Parliament will have to pronounce, and will have to decide in its own best judgment.

And to this pronouncement of his predecessor Mr. Mackenzie King gave his clear endorsement in these words :

It was a statement of the Liberal policy which was accepted then, a statement of the Liberal policy as it has been followed ever since. I wish to give it as a statement of the Liberal policy as it is to-day and as it will continue to be under the present Liberal Administration.

Now the question of Canada's freedom of decision in the event of the outbreak of another general war had for some years past been a subject of acute controversy among constitutional pundits; and here, apparently, was the Prime Minister interpolating in his speech a deliberate statement of policy ranging his Government on the side of that school of thought which held that Canada had no alternative but to accept the status of belligerency as soon as Great Britain herself assumed it.

Such a pronouncement, however, was exceedingly unpalatable to the isolationists in the Liberal party, who contended that, if the Statute of Westminster had any

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validity, Canada was entitled to avoid the status of belligerency until she acquired it by her own free decision. One of their leaders, therefore, Mr. J. T. Thorson, K.C., a former Rhodes scholar who holds a Manitoba seat, challenged the doctrine endorsed by his leader by introducing as a private member's measure a short Bill, inviting Parliament to affirm that Canada should not assume the status of a belligerent except through a declaration of war by His Majesty with special reference to Canada and on the advice of his Canadian Ministers. Its submission was followed by the publication of a long manifesto advocating the immediate enactment of the Bill in order to clear up a situation of uncertainty and to give Canada unquestioned control of her international policy. The manifesto was signed by an impressive list of members of the Canadian "intelligentsia", including eminent lawyers, professors, leaders in business, heads of agrarian associations and clergymen. But the Bill itself did not come up for discussion until the completion of the destruction of Czechoslovakia as a separate State had produced a fresh crisis of the utmost gravity in Europe.

This startling event, and the speech delivered on March 17 by Mr. Chamberlain in Birmingham, in which he called for the support of all democratic peoples to checkmate further aggression, evoked a demand from the *Toronto Globe and Mail*, the *Ottawa Citizen*, and other newspapers for a declaration of the Government's attitude towards the new situation. As public opinion had obviously become restless, Mr. Mackenzie King responded with a brief statement to the House of Commons on March 20. His position was difficult, since he had to admit the collapse of the policy of appeasement, to which he had given his blessing; he deplored, he said, the wanton and forcible annihilation of Czechoslovakia and the evidence that it provided of Herr Hitler's complete untrustworthiness. He declared that he was ready to accept Mr. Chamberlain's proposal that the democratic countries should consult

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together concerning the measures to be adopted to cope with the new situation, but he was careful to emphasise that before any undertakings could be expected from Canada the issues must be clarified, in order that the Canadian Government, Parliament and people might judge them on their merits.

If (he said) there was a prospect of an aggressor launching an attack upon Britain with bombers raining death upon London, I have no doubt what the decision of the Canadian Parliament would be. We would regard it as an act of aggression, menacing freedom in all parts of the Commonwealth. If it were a case on the other hand of a dispute over trade or prestige in some far-off corner of the world, that would raise quite different considerations.

Then, aware of the restlessness in the ranks of his own party and the volume of public sentiment behind Mr. Thorson's Bill, he qualified his earlier subscription to the Laurier doctrine that "if Great Britain is at war, Canada is at war". He explained that Canada would never be automatically plunged into war without the consent of her Parliament, nor could her co-operation be taken for granted.

The form of such co-operation (he said) and the contingency in which it may arise are questions which the Government will examine in consultation with other Governments. It will report its findings to Parliament, which has the sole and responsible authority to speak for Canada on such grave issues. I still believe in Parliament as the most important of our national institutions, and in the supremacy of Parliament, especially when the issue is one of peace or war.

Dr. Manion, the Conservative leader, had issued a statement of his views on the previous day, pledging the co-operation of the Conservative party in any measures that the Government might deem it necessary to take in collaboration with other countries for the frustration of further aggression. The speech with which he followed the Prime Minister in the Commons was largely an elaboration of views already made public. His condemnation of German policy was much more vigorous than Mr. Mackenzie King's: after expressing the view that Herr Hitler was "mad with the lust of conquest and aiming at world

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domination", he declared that the time had now come for all Canadians to sink their political differences in a common national front. They should proclaim to the world their desire for a solid alliance of all the democratic countries to halt the international criminality of the fascist Powers. He vigorously maintained that a repetition of the last bloody war, of whose horrors he had had personal experience, could now be avoided only by a resolute effort on the part of all democratic, civilised and Christian peoples to build up without delay a genuine system of collective security, which would compel Herr Hitler "to stop, look, and listen". But, with a weather eye on Quebec, he stopped short of advocating any specific pledge of support to the United Kingdom Government, and thereby disappointed the imperialist elements in his party, who had hoped for a definite declaration in favour of the solidarity of the whole Commonwealth behind a common programme.

It was left to Mr. Woodsworth, the leader of the C.C.F.\* party, to argue that the democratic nations had landed themselves in their present plight because they had declined to take seriously the principles underlying the structure of the League of Nations or to live up to their obligations under its Covenant. He went on to suggest some practical measures for the embarrassment of the dictatorships. He urged that the Canadian Government should immediately prohibit the export of any war materials to Germany, impose a surtax upon imports from all aggressor countries, and assume a decent share of responsibility for the hordes of unfortunate refugees, of whom only meagre contingents were being reluctantly admitted to Canada.

### II. REACTIONS IN QUEBEC AND ONTARIO

THE pronouncements of the party leaders produced a flood of comment in the press. The Prime Minister received unexpected commendation from the Montreal

\* Co-operative Commonwealth Federation.

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*Gazette*, which declared that he had defined Canada's position in a manner calculated to please patriotic Canadians, but another Conservative newspaper, the *Ottawa Journal*, sarcastically asserted that the same sort of pronouncement as Mr. King and Dr. Manion had made might have come from the leaders of some non-British democracy like Sweden. They had offered, declared the *Journal*, no evidence of a realisation of Canada's responsibilities as a partner in the British Commonwealth. The *Toronto Globe and Mail* (independent Liberal), while it found in Mr. Mackenzie King's speech some encouraging acknowledgment of Canada's obligations, regretted that he had not promised in decisive language the wholehearted co-operation that Mr. Chamberlain obviously desired from all the nations of the Commonwealth. The *Winnipeg Free Press* (independent Liberal) took the view that the speech represented an effort by the Prime Minister "to get back to the pre-January position—the supremacy of Parliament"; it noted particularly the absence of any restatement of the Laurier thesis that the connection with Great Britain brought Canada automatically into any British war. In the French-Canadian press the comments were severely critical, and they reflected an uneasiness that soon found overt expression in Quebec.

The St. Jean Baptiste Society, which is the great social organisation of the French-Canadian people, lost no time in inviting eight other French-Canadian organisations, including the Canadian Federation of Catholic Workers and the Catholic Farmers' Union of Quebec, to send delegates to a meeting in Montreal; this gathering unanimously adopted a resolution expressing disapproval of the utterances of both Mr. Mackenzie King and Dr. Manion, and warning the Government that French-Canada was unalterably opposed to the country's participation in foreign wars. Then, both in Montreal and in Quebec city, bands of young French-Canadians, mostly university students, staged demonstrations of protest, shouting "No foreign



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wars ” and “ Down with conscription ”. At Montreal they proceeded to the City Hall and extracted from Mr. Camillien Houde, the arch-demagogue of Quebec, who is now serving his fourth term as mayor of Montreal, a promise that he would lead any anti-conscription movement which they organised. At Quebec they swarmed into the galleries and floor of the chamber of the provincial legislature and clamoured for the immediate passage of a resolution, introduced by Mr. René Chaloult, a Nationalist member, against Canada's commitment to another overseas war. Mr. Duplessis, the provincial Premier, told them that although his views on this issue were well known he would not be stampeded into premature action by such a disorderly agitation. It should be added that these demonstrators were quite irresponsible, bearing the authority of no French-Canadian organisation. Those who invaded the Quebec Chamber represented themselves as members of the French Canada Catholic Youth Congress, but they have been publicly repudiated by the real leaders of the Catholic Young Men's League. Meanwhile, at Ottawa, French-Canadian members were freely expressing in the lobbies their anxiety about the Ministry's tendencies, and one of them submitted a formal written question about the Government's response to the resolution of the French-Canadian societies.

In Ontario, on the other hand, where imperialist sentiment has a firm root in the traditions of the United Empire Loyalists, the original settlers of the province, there was a very different reaction. In the Ontario legislature a resolution moved by Colonel Fraser Hunter, a Liberal member, who is a retired officer of the Indian army, calling for immediate action on the part of the member nations of the British Commonwealth in support of any measures that the United Kingdom Government might decide to take, and for the conscription of man-power and property in Ontario in defence of free institutions, was taken over and amended by the Premier himself, Mr. Mitchell Hepburn.

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In its amended form it pledged the co-operation of the Government and people of Ontario with the United Kingdom, and urged the federal Government to bring in legislation enabling the man-power and material resources of Canada to be immediately mobilised in the event of a war emergency. In moving it, Mr. Hepburn, who nowadays loses no opportunity of embarrassing his former Liberal friends at Ottawa, struck a strong imperialist note. He declared that, if Canada as a whole must indulge in reservations, there were no such inhibitions to prevent Ontario from voicing her ardent loyalty to Great Britain. He was supported by Colonel Drew, the provincial leader of the Conservative party, who advocated an embargo upon exports of war materials to Germany; and, to the general surprise, Mr. Belanger, a prominent French-Canadian Liberal member, gave his cordial benediction to the resolution, which was carried without a single hostile vote.

### III. SECOND THOUGHTS AT OTTAWA

FACED by this revelation of sharply conflicting views in Quebec and Ontario, the two largest provinces, Mr. Mackenzie King felt it advisable to make a further effort to placate his two sets of critics. On March 30, when the estimates of the Department of External Affairs came up for discussion, he devoted two hours to a careful review of the international situation and an elaborate exposition of his Government's attitude. His speech initiated the longest debate on foreign affairs that the Canadian Parliament has ever experienced; for it lasted almost four full days, and 33 members, including all the prominent leaders, took part in it. It failed, nevertheless, to shed much light upon the intentions of the Government, and Mr. Woodsworth voiced a general perplexity when he declared that after listening to Mr. Mackenzie King's long speech he still did not know what the Government would do in the event of an outbreak of war.

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The Prime Minister's review of foreign policy revealed him as still convinced that Mr. Chamberlain had made "an emphatically right choice" in striving to prevent the outbreak of war last September, and as declining to believe in the inevitability of another general war. But he felt that he could not deny its possibility, and he therefore outlined the course of action that his Ministry would follow, in these words :

If Canada is faced by the necessity of making a decision on the most serious and momentous issue that can face a nation, whether or not to take part in war, the principle of responsible government, which has been our guide and our goal for a century, demands that this decision be made by the Parliament of Canada. Equally the system of government we have inherited from Britain . . . makes it the duty of the Government to propose to Parliament the course which in regard to particular issues it considers should be adopted and to stand or fall by the decision.

In order to meet the criticism that such a policy was not sufficiently definite and absolute, he quoted with approval Mr. Chamberlain's pronouncement, made on March 17, against "any new and unspecified commitments operating under conditions which cannot now be foreseen", declaring that no more than Mr. Chamberlain was he prepared to pledge Canada to this type of commitment.

Mr. Mackenzie King then analysed the various factors of interest, sentiment and opinion setting the limits within which any feasible policy, calculated to preserve national unity, must be framed. Among these he cited the growth of nationalist feeling, Canada's position as a North American nation and her close relations with the United States (which had been crystallised by President Roosevelt's notable speech at Kingston last August), her increased interest in the affairs of Europe, and her deep concern for the strength and welfare of Great Britain.

Any realistic survey (he said) of the Canadian scene will make it clear that these varying factors play their part in the shaping of opinion and policy in Canada.

No one can be taken as the sole directing force. They do not necessarily conflict; they may increasingly work together.

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That depends on the special circumstances and policies of countries other than ours. That is why it is impossible in the case of our country as of others to give what some people seem to desire—a hard and fast statement in advance as to the action which will be taken in hypothetical future cases that may arise in this rapidly shifting world.

Mr. Mackenzie King also proceeded to execute a further retreat from the Laurier doctrine about Canadian belligerency, by explaining that when it was promulgated Canada had been in a state of political subordination to Great Britain, and had had no alternative to concurrence in the decisions of the British Government about the issues of peace and war; but, with the ending of that subordination by constitutional developments culminating in the Statute of Westminster, Canada had secured for all practical purposes freedom to determine her own course about those issues. He admitted that certain legal limitations upon that freedom of action might seem to survive, but he held that their importance was exaggerated. He pronounced against the passage of legislation like the Thorson Bill on the grounds that it could be enacted only at the cost of passionate controversy, and that, if passed, it might convey to foreign countries the unwarranted and unfortunate impression that Canada had definitely decided to remain neutral in any and every conflict.

The most emphatic declaration in his speech was a pledge that his Government would never countenance military conscription, although under war conditions it would organise a planned national effort and control profits. The Prime Minister also reiterated doubts that he had previously expressed whether any of the British Dominions would ever send another expeditionary force to Europe. He also occupied considerable time in refuting charges that at the time of the September crisis Canada had shown, as compared with other Dominions, a deplorable apathy in regard to her responsibilities as a partner in the Commonwealth. The closing part of his speech was devoted to a survey of the clash of conflicting forces in the

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world, and a plea that the rivalry between the democratic and totalitarian nations should be diverted into channels more useful to humanity than war.

Dr. Manion was so fully in agreement with many of Mr. King's statements that he might have been a partner in a parliamentary duet. He was convinced of the merits of Mr. Chamberlain's policies, he was opposed to conscription and dubious about the need of expeditionary forces, and he was clear that the issue of participation in war must be left to Parliament. But he was most emphatic that neutrality was unthinkable for Canada, and he outlined some of the intolerable situations that would arise from its adoption, rendering it as repugnant to a large proportion of the Canadian people as conscription would be to another element. In regard to the part that Canada should play in another war, he felt that there should be a compromise between the views of those who wanted Canada to back Great Britain to the last man and the last dollar and those who favoured an attitude of passive detachment. He suggested that Canada could render invaluable help to Great Britain by encouraging the enlistment of volunteer units, providing abundant supplies of munitions and food, and protecting her own territory. His own party did not all show unqualified approval of Dr. Manion's speech, and some other Conservative speakers, less concerned to placate Quebec, scorned any reservations about Canadian support for Great Britain.

The most courageous speech of the debate came from Mr. Lapointe, the Minister of Justice, who addressed some plain words to his compatriots at the risk of incurring deep unpopularity in his own province. He was adamant against military conscription, but he was even more emphatic than Dr. Manion about the impossibility of neutrality.

Realities (he said) have to be faced. The ostrich policy of refusing to face dangers will not keep them away. Indeed a deliberate policy of drift may involve a greater risk. The folly

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of mistaking shams for realities has been written large in the tragic history of many unfortunate countries. Canada is part of the world and unfortunately this planet cannot be considered to-day an earthly paradise inhabited by benevolent and rational beings of an altruistic turn of mind. . . .

The real issue in Canada is security, even world security; because we cannot expect to be an oasis surrounded by troubles and disasters which we alone could escape. Who could predict how a victorious totalitarian Power would deal with Canada? . . . If Canada were neutral, if Canada were independent, it would need security, it would need greater means of defence, and that is what some people seem to forget.

But their leader's brave plea to face realities made little impression upon the French-Canadian Liberal members, five of whom rose in turn to declare their resolute opposition to Canada's participation in any wars except for the defence of her own territory. They rang the changes upon all the arguments for complete isolationism, and their attitude can be gleaned from the closing observations of Mr. Maxime Raymond, K.C. :

Every Canadian citizen has the military obligation of defending the soil of his motherland, and those of the province of Quebec have never shirked that duty, but no one is entitled to ask them to go and shed their blood in Europe or in Africa or in Asia for the greater glory or power of any other country, even if that country should be Britain or France. . . . And if ever a majority of the people of this country should desire to compel an important minority to take up arms in defence of a foreign land, whichever it may be, that would be the end of Confederation.

Nor was Mr. Thorson himself convinced of the undesirability of his Bill, for he made a long speech in favour of its passage, but when at a later date he moved its second reading it was talked out by an irate Conservative. Most Liberal speakers, however, followed the lead given by the Prime Minister.

Mr. Woodsworth, for the C.C.F., denounced once more the recent policies of the United Kingdom Government as a series of blunders, if not worse, and asked why, when their prime author, Mr. Chamberlain, was still at the helm, Canada should be dragged into a war that would be their direct fruit. Admitting, however, that Canada's culpable

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failure to take seriously her own responsibilities about the League debarred her from any right to sit back in smug complacency, he urged that she make a belated requital for her past sins by imposing an immediate embargo upon all exports of raw materials to Germany and Japan. In regard to Canadian participation in war, his view was that Canada would be involved in technical belligerency by a British declaration of war, and that her right of decision would be limited to her degree of participation. He was convinced that war would again bring conscription in its train. He and other C.C.F. speakers advocated the re-establishment of a system of collective security, accompanied by drastic measures for the elimination of what they believed to be the causes of war. The Social Crediters taking part in the debate voiced similar sentiments to those of the C.C.F. party, and were opposed to conscription.

Its frequent long adjournments have deprived the Senate of much opportunity for discussing the international situation. In its opening debate, however, Senator Meighen made a passionate plea to the Government to abandon its attitude of chill particularism in face of a common peril, and to take steps for the co-ordination of its defence measures in a general programme for the whole British Commonwealth.

The net result of the parliamentary debates has been to make it reasonably plain that Mr. Mackenzie King's Government do not contemplate neutrality and definitely plain that they will not resort to conscription. There are indications that they would like to follow a plan of limited liability in regard to a European war, but they have now no assurance that even for such a policy they could command the support of the main body of their French-Canadian followers. A withdrawal of this group's allegiance, which might well entail some resignations from the Cabinet, would deprive the Ministry of a working majority in the Commons, and Conservative co-operation would have to be enlisted in the formation of a coalition Government.

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Meanwhile the Ministry has been endeavouring to speed up its rearmament programme. There is considerable anxiety, however, in the public mind about the administrative methods being pursued, and disturbing revelations about certain transactions have forced the Ministry to submit a contract for Bren machine guns to a judicial inquiry, and to accept a general inquisition by the public accounts committee of the House of Commons into all armament contracts recently placed.

During all this period feeling in the country (outside Quebec) has been hardening. Last September, under the immediate threat of war, there was abundant evidence of a widespread response to the call to defend the Empire and the broader call to defend our whole way of living. Subsequently there was much uneasiness in certain quarters about the policy of Mr. Chamberlain's Government. Events themselves, however, have conspired to make most even of these critics feel, like the Opposition in England, that if war comes in the present circumstances it will be a war, not of support for imperial power policy, but of defence against aggression which leaves no one in the whole world safe. How long this unity of opinion will last it is idle to predict. If the outcome of the present crisis is a general move towards collective security, this will do much to reassure those elements in the population which fear being drawn into a power-politics war. If, on the other hand, the present attitude of the United Kingdom Government should prove temporary and tentative, the result will surely be to restore the former divisions in Canadian public opinion on world affairs.

Canada,  
April, 1939.



# IRELAND'S VITAL PROBLEMS

## I. FOREIGN POLICY AND DEFENCE

DURING recent months the nebulous policy of the Irish Government in matters of foreign affairs and defence has been a cause of serious concern to many Irishmen. In a statement to the press on February 20, Mr. De Valera said that the aim of his Government was to keep the nation out of war and to preserve our neutrality. The only way to secure that aim was to be in the best position possible to defend ourselves, so that no one could hope to attack us or violate our territory with impunity. We knew, of course, that Great Britain, in her own interests, must help us to repel an attack, if it came, from any other Power. The Irish Government, he added, had not entered into any commitments with Great Britain, and was free to follow any course that Irish interests might dictate.

This statement conveniently ignores the fact that we are not living in a vacuum. In the modern world no State, certainly no small State, is really independent in its external relations. Just as the Scandinavian countries must inevitably share the same broad policy and fate, and just as Belgium and Switzerland, under present conditions, must stand or fall with France, so our freedom and prosperity, whether we like it or not, must depend in the last analysis upon the strength and policy of Great Britain. We are, in fact, like most other small nations, a satellite Power; and ideological, geographical and economic reasons alike dictate our alliance with Great Britain in the event of war. It is absurd to pretend otherwise; for at the present moment the only thing that stands between us and foreign domination of a peculiarly

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unpleasant kind is the power of the British navy. Although our Government know this quite well, they choose, either through fear or through incapacity, to pursue an ostrich-like policy of pretending that we are able to defend ourselves. It is to be hoped that they will not soon suffer a rude awakening.

Unfortunately the great mass of the people have little knowledge of, or interest in, foreign affairs. Apart from an historic friendship for the United States of America, a vague dread of communism, a suspicion of England and a strong loyalty to the Holy See, they have no definite views on foreign policy. Their general attitude was recently well illustrated when the first Labour Lord Mayor of Cork, Councillor James Hickey, T.D., an intelligent and upright man, refused to take part in a civic welcome to the officers and cadets of a German training-ship because of the insult offered to the Catholic world by the German newspapers in referring to the late Pope Pius XI as "a political adventurer". He emphasised that his protest was directed against the official German point of view, and not against the masses of the German people. Whatever may be thought of the Lord Mayor's action from the standpoint of international etiquette, there can be no doubt whatever that it reflects the general opinion, not only of his fellow citizens, but indeed of the great majority of his fellow countrymen. The training-ship, however, was officially welcomed by the Irish Government. It is understood that the German diplomatic representatives were much incensed by the Lord Mayor's action. On February 12, the Government made a somewhat tardy concession to popular opinion by recognising General Franco's Government in Spain a few days before Great Britain did so. Another example of Ireland's attachment to the Holy See was afforded by Mr. De Valera's attendance in Rome at the coronation of the new Pope. His late Majesty Edward VII was scarcely speaking in metaphor when he complained that His Holiness was the real King of Ireland.

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A more important reaction to the general European tension has been the increase in the estimates for defence. It is unfortunately clear that, as Dr. O'Higgins pointed out in the Dail on February 8, this country last September was practically devoid of plan, policy or means of defence, and that ammunition and anti-aircraft guns were almost entirely lacking. In order to remedy this state of affairs, provision is now being made for the expenditure of £5,500,000 on capital equipment and stores. Of this sum a million pounds are to be spent on aeroplanes and another million on anti-aircraft guns and ammunition. Military aerodromes and an ammunition factory are to be built. The army is also to be increased in number, from 21,000 to 30,000, of whom more than half will be part-time volunteers. It is to include a coast patrol and a mine-sweeping service, which will probably be used for the defence of the fortified ports and the Shannon airport. The new Irish soldier will apparently be "soldier and sailor too". Unfortunately there seems to be small inclination amongst educated Irishmen to choose our army as a career. The cadet corps is at present much under strength, and young men with a military vocation seem more inclined to seek service in the British forces. Having regard to the expenditure on armaments of other small European countries, one can hardly consider our new commitments excessive. Provision is also being made for reserves of food and other essential commodities.

Speaking during the debate on the estimates, Mr. Frank Aiken, the Minister for Defence, said that our first problem was the maintenance of neutrality, and the second to defend ourselves if we were attacked by some Power that wanted to use this country as a base against England. Mr. McGilligan, on behalf of the Opposition, ridiculed the idea that we could remain neutral in the next war, and pointed out that our fortified ports could be of use only to a naval Power. Mr. De Valera's speech during the debate added little to the statement already quoted.

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He admitted that it would be difficult to remain neutral and that it was essential for us to continue our trade with Great Britain in cattle and other agricultural products. Replying to a question by Mr. McGilligan, he said that if we were attacked our forces would combine with British forces for the defence of Ireland. And in that somewhat unsatisfactory position the problem of Irish defence policy must await the event.

### II. PARTITION

**D**URING his speech in the debate on defence, Mr. De Valera pointed out that the existence of the Northern border made it difficult to plan the defence of the country as a whole. Partition, he said, was a stimulant to those who still believed that England's difficulty was Ireland's opportunity. His Government wanted to end the quarrel with England, and as a free people they would wish in their own interests to see Great Britain powerful and strong.

The whole question of partition has recently been the subject of an illuminating debate in the Senate on a motion by Senator Frank MacDermot that the policy of the Government ought to take more serious account of the sentiments and interests of the majority of the people in Northern Ireland. His thesis was that the border was the external symptom of an internal disease, which was curable only by ourselves after proper diagnosis and treatment. He claimed that the campaign conducted by the Government and its supporters against partition during the last few months was doing, and was likely to do, more harm than good. His motion was put down, he said, before the outrages which had taken place in England, but these events only gave it additional force. Acts of violence were the logical consequence of attributing to England the entire blame for continuing partition, and of the inflammatory speeches that had lately been delivered. It

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had been said that Northern Ireland was the "pampered pet" of the British, but he thought the description could better be applied to the rest of Ireland. There was no other country in the Commonwealth that had enjoyed all its advantages and yet had refused to shoulder its obligations as Ireland had. He said he was an optimist about reunion, provided they realised that the issue depended on themselves, and not on the British Government. He urged the Government to make some definite statement on its attitude towards such fundamental matters as access to British markets, citizenship of the Commonwealth, allegiance to the King, the question of language and of flags and anthems, so that the people of the North would know where they stood in the event of union. Posterity would not easily forgive us if at this crisis in our history we sacrificed substance to shadow through pettiness and obstinacy.

Mr. De Valera's long and rather rambling speech at the close of the debate added little to his many previous statements on this subject. The British Government, he insisted, was responsible for the existing situation, and, whilst he admitted that it could not be cured by force, yet he confessed that he would, if he had the power, take over by force those districts in Northern Ireland where Nationalists were in a majority. To placate the North he would give up neither the policy of reviving the Irish language nor what he called "the internal republic", but he would be prepared to continue external association with the Commonwealth so long as the Irish people desired to do so. Apparently he is still blind to the fact that, unless we arrive at a *modus vivendi* on such questions as Senator MacDermot mentioned, the majority in Northern Ireland will never willingly associate themselves politically with the rest of Ireland. He did, however, admit—and it is now the essence of the matter—that if an agreed solution was reached between North and South there would be no objection from the British Government.

## PARTITION

The reactions of Ulster to this discussion were true to type. Whilst Senator MacDermot's speech was welcomed as a clear and realistic presentation of the difficulties to be surmounted, Mr. De Valera's reply only provoked the Northern politicians to further uncompromising statements of their position. At a meeting of the Ulster Unionist Council in Belfast on March 3, a letter was read from Sir Samuel Hoare, the British Home Secretary, who was unable to attend, stating that the position of the British Government remained unchanged, and that no body of organised opinion in England would countenance the coercion of Ulster into an all-Ireland union. Lord Londonderry, who took Sir Samuel's place, declared that Northern Ireland did not desire Dominion status. Its people were resolute in their loyalty to the Throne and desired the closest possible association with Great Britain. They would, he said, have no part or lot in any policy which disregarded the Crown. Mr. De Valera's offer, he said, was "of a very poor quality", and could not be entertained in any circumstances whatsoever. Much as one may deplore diehard speeches of this kind, it would be idle to deny that they reflect the Northern point of view and are the natural answer to the extremists on this side of the border.

But there is another most serious and relevant consideration which was well put by Mr. James Dillon, T.D., the deputy leader of the United Ireland party, speaking at Armagh on March 19, when he pointed out that the leaders of the majority in Northern Ireland could render no greater service to the Commonwealth to-day than to announce their readiness, in face of danger, to enter into negotiations with the Irish Government in order to re-establish a united Ireland. This could then play its part in uniting the democracies of the world for peace, and, by their unity and resolution, preventing the totalitarian States from embarking on the desperate adventure of war.

Speaking at Ennis on April 16, Mr. De Valera, after

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referring to the Irish Government's desire to keep neutral in the event of war, asked if it was too much to hope that, in this time of anxiety and impending danger, our fellow countrymen in the North East, who differed from us in the past, would join with us for the defence of those rights which we held in common. Our whole history was proof, he said, that if they came in with us there would be no discrimination of any kind against them. From a united Ireland Great Britain would have nothing to fear. Lord Craigavon's comment on this declaration was that it was most cowardly, and that Northern Ireland could have nothing to do with people who chose to remain neutral. The King's name has recently been omitted from our passports, and Mr. De Valera has pointed out that His Majesty is merely a "statutory officer" so far as we are concerned. No doubt this is to be taken as another proof of our anxiety for Irish unity.

On April 27 Mr. De Valera, who had planned to start the following day on an official visit to America, informed the Dail that "grave events which had occurred the previous day" had caused him to change his plans and to remain in Ireland. It was clear that he had in mind the British Government's decision to introduce conscription, in so far as this might affect Northern Ireland. The vehement opposition of the Nationalist population there was at once declared, and on May 1 Cardinal MacRory and the Catholic Bishops of that area issued a statement denouncing the application of conscription to Northern Ireland as disastrous and an aggression against our national rights. The following day Mr. De Valera announced in the Dail that his Government had protested to the British Government in the strongest terms against such a course, which he, too, characterised as an act of aggression. The threat contained in the British Military Service Bill, under which conscription might be extended to Northern Ireland by order in council, was intolerable. The entire Dail supported his protest, which undoubtedly voiced Irish opinion at

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home and abroad. There was therefore considerable relief and satisfaction in Ireland when Mr. Chamberlain announced in the House of Commons on May 4 that the Bill would not be extended to Northern Ireland. It is unfortunate that this was not made clear in the first instance. Lord Craigavon, who crossed to London on May 2 to see Mr. Chamberlain at the latter's request, after affirming Ulster's desire for conscription, said that he left the decision in the hands of the Imperial Government, and asked to be informed in what way Ulster could best serve the mother country. The only real way in which she could do so, namely, by attempting to secure Irish unity within the Commonwealth, does not seem to have occurred to him. But if he is wise he will see the writing on the wall, for to-morrow such an accommodation may be impossible.

### III. THE CHALLENGE OF THE I.R.A.

THE campaign of explosive outrage that began in Great Britain during January has since then continued sporadically.\* It soon became clear that it was being carried on by the small band of Irish extremists who call themselves the Irish Republican Army. It would appear from published documents that on December 8 last the surviving members of the Second Dail, who claim to be the Government of the Irish Republic, handed over their powers to the Council of the I.R.A. On January 15 the latter body issued a proclamation calling upon England to withdraw her armed forces and officials from every part of Ireland, as an essential preliminary to arrangements for peace and friendship between the two countries. It also referred to the efforts they were about to make to compel that evacuation. This document, which was signed by certain well-known members of the I.R.A., and was posted publicly throughout Ireland, was apparently also sent to the British Government.

\* See THE ROUND TABLE, No. 114, March 1939, p. 368.



## IRELAND'S VITAL PROBLEMS

Most of those tried on charges arising from the outrages refused to plead on the familiar ground that, being soldiers of the I.R.A., they could not recognise the jurisdiction of the court. In a message from the Council of the I.R.A., which was read at public meetings in Ireland during the celebrations in memory of the Easter Rising of 1916, reference was made to the activities of the "expeditionary forces in Britain", which it was stated had been attended by "a degree of success". The mentality of its authors is illuminated by the statement that recognition of the separate nationality of Scotland and Wales had been granted and activities were accordingly being confined to England. It was added that no operations were contemplated in Ireland.

This campaign in England was nevertheless a direct challenge to the authority of the Irish Government, a challenge that could not be ignored. At first they preserved silence, but on February 7 Mr. De Valera announced that they were going to carry out their obligations. They were, he said, the rightful, lawful Government, and no other group or body had the right to talk for the Irish people. They would do their duty at any cost to themselves.

Mr. De Valera had apparently believed that, because under the new constitution anyone is free to agitate for a republic, the extreme element would cease their subversive activities. Acting on this optimistic belief, he did not re-enact the provisions of article 2A of the old constitution, which enabled political offences to be brought before military tribunals and gave wide powers of arrest and detention in such cases. As might have been expected, the removal of these drastic provisions only led to an immediate revival of I.R.A. activities. Article 38 of the new constitution, however, provides that special courts may be established by law for the trial of offences in cases where the ordinary courts are deemed inadequate to secure the effective administration of justice and the preservation of order.

## THE CHALLENGE OF THE I.R.A.

On February 8 Mr. Rutledge, the Minister for Justice, introduced two Bills to deal with the situation. The first provides for the punishment of treason by death and also deals with the punishment of ancillary offences, while the second deals with specific offences against the state such as the usurpation of government functions, obstructing the government, illegal drilling, the formation of secret societies, administering unlawful oaths and publishing seditious matter. The latter Bill provides that when the Government is satisfied that the ordinary courts cannot deal with these offences, which is unfortunately the normal position, they may by proclamation set up special courts to do so, and may also intern and interrogate persons who are suspected of political offences. As a safeguard the Bill provides that such a proclamation may at any time be annulled by a resolution of the Dail, whereupon this emergency provision will cease to operate. Mr. Rutledge, when introducing this measure, did not refer directly to the outrages in England, but read the I.R.A. proclamation already referred to, which showed, he said, that there existed in the country an armed organisation claiming the right to speak and act in the name of the Irish people. He referred also to the blowing up of the customs huts on the Northern border last November with explosives sent from Irish territory.

Mr. Cosgrave's party, United Ireland, while adopting a critical attitude towards the terms of this legislation, did not oppose it in principle. The Labour party, on the other hand, voted against both Bills, and their leader, Mr. Norton, made one of the most effective speeches during the debate. He referred, rather unkindly, to similar republican proclamations issued by the present Minister for Justice when he was acting in armed opposition to Mr. Cosgrave's Government, and he quoted with evident delight the speeches of Mr. De Valera and other members of the present Government denouncing similar legislation when it was introduced, under far more urgent conditions,

## IRELAND'S VITAL PROBLEMS

by Mr. Cosgrave in 1931. He also read statements by Mr. De Valera to the effect that under his Government such coercive measures would not be necessary. For the rest Mr. Norton's speech was a bid for the extreme republican vote. He suggested that, as the ordinary law was sufficient to deal with the outrages in England, it ought to be sufficient here. This is of course absurd, because intimidation of judges and juries is fortunately not possible in England.

Mr. De Valera, during the debate, admitted with evident sorrow that his theories concerning the effect of the new constitution had proved fallacious, and that the Government could not be responsible for the government of the country unless they obtained the powers sought. It remains to be seen whether they will have the necessary courage to use the powers they obtain. If they do, it is almost certain that the campaign of outrage will not be confined to England. Already Miss Mary MacSwiney, that redoubtable diehard, has publicly charged Mr. De Valera with national apostasy and treason, and has stated that if he stains his hands with the blood of republicans he and everyone who supports him will be guilty of murder. The implication of this challenge is obvious. Will Mr. De Valera deal firmly with the extremists, or will he evade the issue? Upon the answer to that question must depend the ultimate fate of his Government.

### IV. ECONOMIC PORTENTS

RECENT ministerial speeches suggest that the Government are engaged in trying to change their economic front. The manœuvre is not an easy one to execute. As a result of their policy during recent years, the value of industrial output has risen in almost exactly the same measure as the value of agricultural output has declined. Since there is practically no export trade in anything but agricultural produce, the establishment of industrial

## ECONOMIC PORTENTS

undertakings can only result in the transfer of labour from agriculture to industry without any increase in the net output of national wealth. While the Government have been seeking to build up little industries which can never hope to do an export trade, the Danes, with the aid of their better standards and methods, have captured the huge British market for butter, bacon and eggs.

In addressing the opening meeting of the Agricultural Commission, Dr. Ryan, the Minister for Agriculture, said that in enquiring into the position of agriculture there would not be a great deal to be gained by post-mortems. What mattered now was the measures that might be taken for the future improvement of the agricultural industry. It was essential, he said, that this country's produce should achieve a reputation of the highest possible quality, and they must avoid a policy that might be akin to placing agriculture permanently on the dole. While one can understand the Minister's objection to enquiring too closely into the reasons for the moribund condition of Irish agriculture, one is certainly startled by his repudiation of the Government's former policy, which made Irish agriculture almost entirely dependent on subsidies, bounties and guarantees, and which affected to ignore the British market. On April 20 the County Dublin farmers called a one-day strike and procession to draw attention to their plight.

The recent report of the Prices Commission on the prices charged here for bacon illustrates only too well the result of eliminating external competition by means of tariffs and quotas. The Commission found that the excess profits of the bacon-curers in the four years 1934-37 amounted to £308,000, and that, through the elimination of all competition, the prices charged to the home consumer are inordinately high. Never was there a more striking illustration of the way in which protection may prove a boomerang.

The detailed analysis of the 1936 census, which was recently published, also proves that the drift from country

## IRELAND'S VITAL PROBLEMS

to town, and the emigration of our young people, continue in spite of political emancipation. The most striking figure, however, is the marriage rate of those who remain behind. Between the ages of twenty-five and twenty-nine, 82 per cent. of our male population remain single. This is by far the highest percentage in Europe, and but for the high degree of fertility among those who do marry the total decline of population would be serious indeed. The marriage problem is of course more fundamental than that of emigration. It arises largely from the fact that under peasant proprietorship the eldest son gets the farm, generally late in life, and the younger sons remain celibate or leave the land.

Mr. Lemass, the Minister for Industry and Commerce, has recently confessed that we can no longer blame external misgovernment for these evils, but must now accept responsibility for them ourselves. He also admits that, while agricultural prices have increased by only 14 per cent. since 1914, the cost of other goods and services has risen by 75 per cent., and that the national need demands a conscious sacrifice by all sections of the community for the benefit of the farmers. Other projects, he says, must stand over until this is done. In other words, agricultural prices must be raised or other prices lowered. This is the dilemma from which the Government finds it impossible to escape. The forced development of industry is also giving trouble in other directions. For instance, the projected oil refinery in Dublin has had to be abandoned after considerable expenditure owing to the opposition of the petrol combines. On the other hand, there is a welcome increase in both our exports to Great Britain and our imports from her. We are one of the three countries that increased their exports during 1938.

Speaking at the opening meeting of the Commission that has been set up by the Government to report on the practicability of developing vocational organisation here, Mr. De Valera pointed out that vocational organisation,

## WILLIAM BUTLER YEATS

enabling people engaged in the same calling to come together to promote their interests, was consistent with any type of political structure. Such an organisation would relieve the state of attending to details and save us from bureaucracy. The real difficulty that confronts the Commission is to find a happy mean between a spontaneous and a state-controlled organisation of our vocational life. What is wanted is an organisation of our rural society which will recognise its patriarchal nature, with roots in the family and the parish. Outside the Church no such organisation yet exists.

### V. WILLIAM BUTLER YEATS

NO chronicle of recent Irish events would be complete that did not mention the death of William Butler Yeats, which took place at Mentone on January 28. Poet, philosopher, dramatist, he gave to Ireland not only a national theatre but almost a new literature. Of Irish Protestant stock, heir to the great tradition of Anglo-Irish literature, and proud of his descent and his inheritance, he yet interpreted the life of Catholic rural Ireland and the old Gaelic legends to the world. Himself no politician, he wrote one play whose exalted symbolism has been an oriflamme to Irish nationalism. Yet he had no sympathy with the dangerous and dishonest mentality that seeks to distinguish between a "Gael" and an Irishman. His poetry, which developed from the romantic tradition through quietness and simplicity to an astringent austerity, displayed to the end the same singleness of purpose and the undimmed vitality of youth. Not only Ireland but all Europe must mourn the loss of such a spirit in these days of darkness, doubt and danger, when, in his own words,

*"The best lack all conviction, while the worst  
Are full of passionate intensity."*

Ireland,

May 1939.

R R

# MR. GANDHI'S FAST

## I. PRE-FEDERATION FERMENT

EFFORTS to bring about federation in India have been temporarily overshadowed by developments in the relations between British India and the Indian states,\* although indeed the inevitability of federation is largely responsible for the conflict. In the Congress party itself, the present pre-federation ferment in political thinking has a pro-federation incentive—this in face of the fact that the Congress still bitterly condemns the particular form of federation envisaged in the 1935 Act. Like the British authorities the Congress is anxious to maintain and consolidate the existing unity of the country; its main anxiety at the moment, however, is to enhance Congress power in the expected federation. The princes and the Moslems, on the other hand, hesitate to accept federation, being apprehensive of their future status under a system that may give the Congress a deciding voice. The Moslems in particular are showing bitter hostility both to the Congress and to federation. Instead of encouraging all-India unity, they are preaching a policy of separatism for Moslem areas which, if achieved, would segregate the Moslems into a series of Ulsters throughout the country.

The conflict between the Congress and the states reached its climax over the affairs of Rajkot, a small western state. The ruler, known as the Thakore Saheb, gave an undertaking to Mr. Vallabhai Patel, the Gujarati Congress leader, to appoint a committee of ten to formulate a scheme of reforms in his state, and to accept the recommendations of Mr. Patel regarding seven of its members. The

\* See article above on "The Future of the Indian States", p. 504.

## THE VICEROY'S INTERVENTION

discussions that led to this arrangement were carried out amid considerable agitation in the state. Mr. Patel had indicated, moreover, that the outcome of the campaign for responsible government in Rajkot would be a measure of success for the campaign in the states generally. When the time came for the Thakore Saheb to accept the names recommended by Mr. Patel, he found himself unable to agree to several. Mahatma Gandhi, who had closely associated himself with the Rajkot "struggle", thereupon declared that the Thakore Saheb had committed a "breach of faith". He further alleged that the British Resident in Rajkot had been responsible for destroying the arrangement made between the Thakore Saheb and Mr. Patel. This was firmly denied by the Political Department of the Government of India. The official statement explained that in rejecting certain of Mr. Patel's nominees the Thakore Saheb acted on his own initiative under the terms of the agreement. This view was contested by Mr. Gandhi, who proceeded to Rajkot, and entered upon a fast as a protest against the Thakore Saheb's alleged breach of faith. The situation was now described in the nationalist press as a first-class issue between the Congress and the Paramount Power, although in its early stages it had been regarded by the Paramount Power as a minor issue between the Congress and the Thakore Saheb, who had voluntarily entered into negotiations with Mr. Patel.

### II. THE VICEROY'S INTERVENTION

MR. GANDHI'S fast released a flood of criticism of conditions in Rajkot, and it was urged on all hands that the Viceroy should intervene to end the dispute. While some sections of the press deplored the fast on the ground that it savoured of coercion, the general Indian opinion was that the Thakore Saheb had forfeited all claims to sympathy. Several Congress Ministries indicated that they would find it increasingly difficult to remain in office



## MR. GANDHI'S FAST

if the fast in Rajkot continued. The Viceroy, touring in the Rajputana states, hurried back to Delhi and placed himself in touch with Mr. Gandhi. Exchanges between Delhi and Rajkot ultimately narrowed the issue to certain fundamental points, which the Viceroy suggested should be referred to the Chief Justice of India, Sir Maurice Gwyer, for his interpretation of the documents. Mr. Gandhi agreed, called off his fast, and prepared to visit the Viceroy at the latter's invitation. Several interviews took place between the two men, and it was generally understood in India that wider problems, including federation, were considered as well as those of Rajkot itself.

The feeling of relief that swept the country after Mr. Gandhi had ended his fast was followed by glowing tributes to the Viceroy, for which no parallel can be found in India since the Irwin-Gandhi agreement of 1931. While the princes and the Moslems watched these developments with increasing anxiety, it became clear that the Viceroy's intervention had the fullest endorsement in Hindu circles in the Congress. Whereas the Western mind tends to resent an attitude that accepts fasting as a legitimate political weapon, Hindu opinion interpreted the fast as a moral protest against a breach of faith, and in this respect the Hindu response was spontaneous and sincere. Congress supporters felt certain from the first that the Chief Justice would give an award in favour of Mr. Patel's contention, as in fact he did. Sir Maurice held that the Thakore Saheb had undertaken to appoint the persons whom Mr. Patel recommended and had not reserved to himself the right to reject those whom he did not approve. Mr. Gandhi, regarding himself as vindicated, called off civil disobedience, not only in Rajkot but also elsewhere. The controversy, however, served to increase both the bitterness of the Moslems towards the growing prestige of the Congress, and the apprehensions of the princes regarding their future in the Indian political scheme.

## CONGRESS DISSENSIONS

### III. CONGRESS DISSENSIONS

THE Rajkot dispute had another secondary effect. It relegated to the background a controversy that had arisen within the Congress party over the annual presidential election. In the past, Congress delegates have unanimously elected a president previously nominated by the party leaders, but this year Mr. Subas Chandra Bose, the retiring president, insisted on contesting the election against the party nominee, Dr. Pattabhai Sitaramayya. Mr. Bose refused to withdraw, even at the request of Mr. Gandhi. The election became a direct clash between the Left wing, represented by Mr. Bose, and the Right. It was preceded by statements and counter-statements which disclosed party differences never before made public. Mr. Bose contended that his opponent had been selected because he would be more pliable in compromising over federation. The presidency, he maintained, should reflect a definite political policy, which the president should be enjoined to carry out. Those sponsoring Dr. Sitaramayya, on the other hand, held that the office was merely a nominal position, from which the broad nationalist policy was directed. In a poll of nearly 3,000 votes, Mr. Bose won by a majority of over 200. The result was regarded as defeat for the upper hierarchy of the party; Mr. Gandhi frankly admitted that it was a defeat for himself.

The vote raised new and awkward problems for the Congress leaders. The majority of the existing Working Committee resigned, as being unable to collaborate with a president whose election they had opposed. In any event the old committee realised that if Mr. Bose carried out his theory of the presidential office he would replace the Right-wing elements which had controlled the organisation for years by a Working Committee reflecting more extreme views. On the surface, the resignations left Mr. Bose free to select such a committee, but in fact he was deprived of all the party's experienced leaders. Without Mr. Gandhi's

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blessing, his presidential election was only a sham success. The decision of Pandit Jawaharlal Nehru to accompany his fellow committee-men into retirement bewildered those Left-wing elements who had thought that in electing Mr. Bose they were about to bring Congress policy more into line with the Pandit's ideas. A split in the party on ideological lines would have been the logical sequence to Mr. Bose's election, but strenuous efforts were made to keep the organisation intact, particularly with the aim of retaining Mr. Gandhi's indirect leadership.

Mr. Bose, a sick man, proceeded to the annual convention at Tripura, conscious of the fact that, although he had split the organisation from top to bottom, he had not gained his way, since he had lost Mr. Gandhi's influence. Although the latter had informed Mr. Bose that he was free to select a homogeneous Working Committee reflecting opinions of the kind he himself held, it quickly became clear at Tripura that the majority of the delegates were unwilling to sacrifice Mr. Gandhi's unofficial leadership. A resolution brought forward by Pandit Govind Ballabh Pant, Premier of the United Provinces, showed that the old leaders were not ready to be superseded without a challenge. The resolution expressed the confidence of the party in the leadership of the Working Committee during the previous year, and requested the president to nominate his new Working Committee in accordance with the wishes of Mr. Gandhi. A division was not challenged. The convention thus completely vindicated the leadership and policy of Mr. Gandhi, to the confusion of the new president.\*

India,

April 1939.

\* Mr. Bose has since resigned, and Mr. Rajendra Prasad, a member of the Right wing, has been elected president in his stead.—EDITOR.

# BRITISH FOREIGN POLICY

## DOCUMENTS

### 1. *Statement in the House of Lords by Viscount Halifax, Secretary of State for Foreign Affairs, March 20, 1939.*

The Munich Settlement . . . was accepted by His Majesty's Government for two purposes, quite distinct. The first purpose was to effect a settlement, as fair as might be in all the extremely difficult circumstances of that time, of a problem which was a real one, and of which the treatment was an urgent necessity if the peace of Europe was to be preserved. . . . I have no doubt whatever that His Majesty's Government were right, in the light of all the information available to them, to take the course they did. The second purpose of Munich was to build a Europe more secure, upon the basis of freely accepted consultation as the means by which all future differences might be adjusted; and that long-term purpose, my Lords, has been, as we have come to observe, disastrously belied by events. . . .

In his actions until after Munich a case could be made that Herr Hitler had been true to his own principles, the union of Germans in, and the exclusion of non-Germans from, the Reich. Those principles he has now overthrown, and in including 8 million Czechs under German rule he has surely been untrue to his own philosophy. The world will not forget that in September last Herr Hitler appealed to the principle of self-determination in the interests of 2 million Sudeten Germans. That principle is one on which the British Empire itself has been erected, and one to which, accordingly, as your Lordships will recollect, we felt obliged to give weight in considering Herr Hitler's claim. That principle has now been rudely contradicted by a sequence of acts which denies the very right on which the German attitude of six months ago was based, and, whatever may have been the truth about the treatment of 250,000 Germans, it is impossible for me to believe that it could only be remedied by the subjugation of 8 million Czechs. . . .

Broadly speaking, there have been, at all events since the war, two conflicting theses as to the best method of avoiding conflicts and creating security for the nations of the world. The first thesis is . . . the thesis expressed in the Covenant of the League of Nations. . . . The second, which has been in conflict, has been upheld by those who considered that systems seeking to provide collective security, as it has been termed, involved dangerously indefinite commitments quite disproportionate to the real security that these commitments gave. . . .

I have no doubt that in considering these two theses the judgment of many has been influenced by the estimate that they place, rightly

## BRITISH FOREIGN POLICY

or wrongly, upon the probability of direct attack. If it were possible, in their judgment, to rate that probability low, then that low probability of direct attack had to be weighed against what might seem to them the greater risk of States' being involved in conflicts that were not necessarily arising out of their own concerns. But if and when it becomes plain to States that there is no apparent guarantee against successive attacks directed in turn on all who might seem to stand in the way of ambitious schemes of domination, then at once the scale tips the other way, and in all quarters there is likely immediately to be found a very much greater readiness to consider whether the acceptance of wider mutual obligations, in the cause of mutual support, is not dictated, if for no other reason than the necessity of self-defence. His Majesty's Government have not failed to draw the moral from these events, and have lost no time in placing themselves in close and practical consultation, not only with the Dominions, but with other Governments concerned upon the issues that have suddenly been made so plain.

*2. Statement in the House of Commons by Mr. Neville Chamberlain, Prime Minister, March 31, 1939.*

Certain consultations are now proceeding with other Governments. In order to make perfectly clear the position of His Majesty's Government in the meantime, before those consultations are concluded, I now have to inform the House that during that period, in the event of any action which clearly threatened Polish independence and which the Polish Government accordingly considered it vital to resist with their national forces, His Majesty's Government would feel themselves bound at once to lend the Polish Government all support in their power. They have given the Polish Government an assurance to this effect. I may add that the French Government have authorised me to make it plain that they stand in the same position in this matter as do His Majesty's Government.

*3. Statement in the House of Commons by the Prime Minister, April 3, 1939.*

The commitments of this country, whether actual or potential, were stated some time ago by my Right Hon. friend the member for Warwick and Leamington (Mr. Eden) in a passage which is famous because it so clearly and carefully expressed the facts.\* . . . If at that time it had been suggested that we should add to those commitments something affecting a country in the eastern part of Europe, it would, no doubt, have obtained some limited amount of support, but it certainly would not have commanded the approval of the great majority of the country. Indeed, to have departed from our traditional ideas in this respect so far as I did on behalf of His Majesty's Government on Friday constitutes a portent in British policy so momentous that I think it is safe to say it will have a chapter to itself when the history books come to be written. . . .

Of course, a declaration of that importance is not concerned with

\* See THE ROUND TABLE, No. 108, September 1937, p. 724.

## DOCUMENTS

some minor little frontier incident; it is concerned with the big things that may lie behind even a frontier incident. If the independence of the State of Poland should be threatened—and if it were threatened I have no doubt that the Polish people would resist any attempt on it—then the declaration which I made means that France and ourselves would immediately come to her assistance. . . .

It is not so long ago that I declared my view that this country ought not to be asked to enter into indefinite, unspecified commitments operating under conditions which could not be foreseen. I still hold that view; but here what we are doing is to enter into a specific engagement directed to a certain eventuality, namely, if such an attempt should be made to dominate the world by force. . . . If that policy were the policy of the German Government it is quite clear that Poland would not be the only country which would be endangered.

### 4. *Statement in the House of Commons by the Prime Minister, April 6, 1939.*

The conversations with M. Beck have covered a wide field and shown that the two Governments are in complete agreement upon certain general principles.

It was agreed that the two countries were prepared to enter into an agreement of a permanent and reciprocal character to replace the present temporary and unilateral assurance given by His Majesty's Government to the Polish Government. Pending the completion of the permanent agreement, M. Beck gave His Majesty's Government an assurance that the Polish Government would consider themselves under an obligation to render assistance to His Majesty's Government under the same conditions as those contained in the temporary assurance already given by His Majesty's Government to Poland.

### 5. *Statement in the House of Commons by the Prime Minister, April 13, 1939.*

Once confidence has been roughly shaken it is not so easily re-established, and His Majesty's Government feel that they have both a duty and a service to perform by leaving no doubt in the mind of anyone as to their own position. I, therefore, take this opportunity of saying on their behalf that His Majesty's Government attach the greatest importance to the avoidance of disturbance by force or threats of force of the *status quo* in the Mediterranean and the Balkan Peninsula. Consequently, they have come to the conclusion that, in the event of any action being taken which clearly threatened the independence of Greece or Rumania, and which the Greek or Rumanian Government respectively considered it vital to resist with their national forces, His Majesty's Government would feel themselves bound at once to lend the Greek or Rumanian Government, as the case might be, all the support in their power. We are communicating this declaration to the Governments directly concerned, and to others, especially Turkey, whose close relations with the Greek Government are known. I understand that the French Government are making a similar

## BRITISH FOREIGN POLICY

declaration this afternoon. I need not add that the Dominion Governments, as always, are being continuously informed of all developments.

### *6. Statement in the House of Commons by the Prime Minister, May 10, 1939.*

His Majesty's Government recently accepted a definite obligation in respect of certain eastern European States. They . . . undertook these obligations without inviting the Soviet Government to participate directly in them, in view of certain difficulties to which, as the House is well aware, any such suggestion would inevitably give rise. His Majesty's Government accordingly suggested to the Soviet Government that they should make, on their own behalf, a declaration of similar effect to that already made by His Majesty's Government, in the sense that, in the event of Great Britain and France being involved in hostilities in discharge of their own obligations thus accepted, the Soviet Government, on their side, would express their readiness also to lend assistance, if desired. . . .

Almost simultaneously, the Soviet Government suggested a scheme at once more comprehensive and more rigid which, whatever other advantages it might present, must in the view of His Majesty's Government inevitably raise the very difficulties which their own proposals had been designed to avoid. His Majesty's Government accordingly pointed out to the Soviet Government the existence of these difficulties. At the same time they made certain modifications in their original proposals. In particular, they made it plain that it was no part of their intention that the Soviet Government should commit themselves to intervene, irrespective of whether Great Britain and France had already, in discharge of their obligations, done so.

### *7. Statement in the House of Commons by the Prime Minister, May 12, 1939.*

His Majesty's Government in the United Kingdom and the Turkish Government have entered into close consultations, and the discussions which have taken place between them, and which are still continuing, have revealed their customary identity of view. It is agreed that the two countries will conclude a definitive long-term agreement of a reciprocal character in the interests of their national security. Pending the completion of the definitive agreement His Majesty's Government and the Turkish Government declare that in the event of an act of aggression leading to war in the Mediterranean area they would be prepared to co-operate effectively and to lend each other all the aid and assistance in their power.

# GREAT BRITAIN

## I. NATIONAL UNITY

IF the German invasion of Czechoslovakia served no other useful purpose, it restored to British opinion on foreign policy a unity more complete than it had enjoyed since 1935. Since the signing of the Munich agreement, Mr. Neville Chamberlain had been the object of bitter attack by Opposition critics, for his failure, as they put it, to "stand up to Hitler", and for his alleged betrayal of a democratic people to the fascist dictators. That this hostility was not shared by the majority of the electorate was suggested by the response to an inquiry organised by the British Institute of Public Opinion, the "Gallup poll" of Great Britain, which is admittedly still in its infancy. A select cross-section of voters were asked :

Which of these statements comes nearest to representing your view of Mr. Chamberlain's policy of appeasement ?

(1) It is a policy which will ultimately lead to enduring peace in Europe.

(2) It will keep us out of war until we have time to rearm.

(3) It is bringing war nearer by whetting the appetites of the dictators.\*

Of those asked, 28 per cent. assented to the first proposition, 46 per cent. to the second, and 24 per cent. to the third, 2 per cent. offering no opinion. Thus over three-quarters of those who answered at all were to be reckoned as supporters of the "appeasement" policy, though most of them on the slightly cynical if none-the-less sensible ground that it staved off war until we had a better chance of victory. It is significant that nearly one-half of those among the people interviewed who reckoned themselves

\* *News-Chronicle*, March 15, 1939.



## GREAT BRITAIN

supporters of the Opposition assented to this pragmatic approval of Mr. Chamberlain's policy, and another 11 per cent. to the full approval affirmed in the first proposition.

The by-elections have likewise given no sign either of great enthusiasm or of violent distaste for Mr. Chamberlain's Government. At Batley and Morley, the Labour majority rose from 2,828 to 3,896, on a poll of over 36,000, both parties receiving fewer votes than at the general election in 1935. There was a very similar result in South Ayrshire, where the Labour majority rose from 4,804 to 4,922, on a poll of approaching 31,000. In Kincardine and West Aberdeenshire, a National Government candidate received a majority of 1,121 over the same Liberal candidate who had been defeated by 2,636 in 1935, on that occasion by an avowed Conservative. In the Hallam division of Sheffield, a fortnight after the announcement of conscription, the Conservatives held the seat with a majority reduced from 10,952 to 6,094; but the fall was due to abstentions, deliberate or careless, on the Government side, not gains to Labour, whose poll was actually lower than in 1935. Three by-elections on May 17 had similar results. In the Abbey division of Westminster and the Aston division of Birmingham, Government majorities fell from 12,862 to 5,004 and from 10,355 to 5,901 respectively; in North Southwark, a Liberal National majority of 79 was converted into a Labour majority of 1,493: but in each of these elections the Opposition poll as well as the Government poll suffered a decline.

Labour has not increased its appeal by continuing to display disunity in its own ranks. The party executive, after expelling Sir Stafford Cripps from the party for having launched a campaign for a "popular front",\* subjected two of his fellow M.P.s—Mr. Aneurin Bevan and Mr. G. R. Strauss—to the same penalty for associating themselves with Sir Stafford's campaign. The "heresy hunt" is being prosecuted with great thoroughness by the Labour

\* See THE ROUND TABLE, No. 114, March 1939, p. 389.

## NATIONAL UNITY

hierarchy. At its annual Easter conference, the Co-operative party rejected by a card vote of 2,854,000 to 1,923,000 a motion in favour of a "peace alliance" designed to eject the National Government, thus directly reversing its own vote of a year ago.

If, however, the opponents of Mr. Chamberlain and his works were in a minority, they made up for it by the fervour and earnestness with which their opinions about his foreign policy were held. They received a somewhat ambiguous reinforcement from Conservative critics like Mr. Eden and Mr. Winston Churchill, though on no occasion has there been any serious split in the Government ranks. But when the House of Commons debated the European situation on April 3, after the Government had announced Great Britain's pledge to Poland, Mr. Eden and Mr. Churchill were among the most cordial congratulators of Mr. Chamberlain, and the Opposition leaders themselves could do little but ask for more.\* A few, including Sir Stafford Cripps, continued to demand the resignation of the Prime Minister as one whose policy had been a self-confessed failure, having indeed been followed by the very disasters that they themselves had predicted. Since the change in direction of British foreign policy after the March crisis, there has been, perhaps, less disposition to press for the inclusion of Mr. Eden in the Ministry, his supporters having been drawn entirely from the critics of the "appeasement" policy, who are now themselves appeased; but more for that of Mr. Churchill, since many Government supporters who had previously found themselves opposed to his views on foreign policy now began to hanker for his peculiar powers in reinforcing our defences to meet our new commitments. However, Mr. Chamberlain, having decided upon a Ministry of Supply—albeit an adjunct of the War Office only—gave this portfolio, not to Mr. Churchill, who had been the most

\* A series of documents on the change in British foreign policy is printed on pp. 603-6.

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trenchant advocate of the creation of such a Ministry, but to Mr. Leslie Burgin, the Minister of Transport, whose special qualifications for the post had not been universally recognised. The new Ministry, apart from dealing with the problem of military supply, which has been rendered far greater by a sequence of decisions to increase the strength of the army, will also be responsible for acquiring and maintaining the reserves of essential metals and other raw materials required for the defence programme. Mr. Burgin was succeeded as Minister of Transport by Captain Euan Wallace, whose promotion entailed a series of minor ministerial changes.

### II. CIVIL DEFENCE

ALMOST as striking as the change in the direction of British foreign policy has been the swift development of defence preparations. The expansion of the navy and air force has not been very much in the public eye, though a succession of warship launches, and reports of the steady increase of aircraft production, have encouraged us in the knowledge that these arms are being made stronger week by week. It is now some months since it was authoritatively stated that the output of military aircraft in Great Britain was of the order of 500 per month, and was still rising.

The centre of interest and controversy during the past quarter, in the field of defence, has been shared by civil defence and the army. In April, all local authorities were asked by the Government to arrange to give priority to civil defence business over all other matters for the next three months. The Government's own most notable move in this sphere was the introduction of a Civil Defence Bill, dealing chiefly with the measures to be taken by industrial and commercial undertakings and by public utilities for the protection of their employees. Among other provisions, the Bill authorised a 50 per cent. grant to public utility undertakings towards the cost of precautionary

## CIVIL DEFENCE

measures, made it compulsory to incorporate structural precautions in certain classes of new buildings, and imposed a statutory obligation on employers to organise air-raid precautions and to provide shelters for their work-people. The Bill also contained provisions relating to war-time organisation of hospitals and the preparation of emergency plans for the evacuation of the civil population from crowded areas.

Another outstanding development during the quarter has been the appointment of regional commissioners and deputy commissioners, who, among other eventual duties, would represent the central government authority in their respective areas if communications were cut. Potential dictators in war time, these functionaries have neither salaries nor executive duties in time of peace. Their names were such as to inspire every confidence. The appointment of a senior commissioner for London, a regional commissioner for Scotland, and a deputy commissioner for the northern region, was deferred, it was stated, until an emergency should actually occur; this course had plainly been indicated by the desirability of enrolling, for these offices, members of the Labour party, who found themselves unable publicly to accept the posts in advance of an emergency.

The problem of shelters for the ordinary urban population who would not be evacuated has been the cause of a good deal of controversy. Much publicity was given to a draft scheme for deep bomb-proof shelters for the public, elaborated by the Finsbury Borough Council. Eventually, however, the plan was rejected by Sir John Anderson, the Lord Privy Seal and Minister in charge of Civil Defence. Apart from technical difficulties to which his official experts had drawn attention, Sir John had been advised that "on any probable view of the conditions of an actual air raid there would not be any real prospect that the inhabitants of the borough as a whole would succeed within the warning period in gaining access to the proposed shelters". The

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Minister had, in fact, received from a specially constituted conference on air-raid shelters, under the chairmanship of Lord Hailey, a general recommendation against the construction of deep shelters.

The universal provision of complete immunity from risks (the conference reported) is impossible. What has to be sought is a balanced programme of reasonable protection, bearing in mind, first, that the factor of time is of vital importance and, secondly, that it is essential to avoid an immoderate diversion of the nation's effort from other activities directed to the maintenance of its own existence and the successful prosecution of war.

The objections raised to deep shelters included their relative inaccessibility, the danger of congestion at the entrances, the risk of creating "a shelter mentality", and the possible diversion of national effort from other more active measures of defence. The conference gave general support to the provision of dispersed shelters, each holding a few people, including under that term both special steel shelters and basements reinforced with steel structures. The Government had anticipated this recommendation by placing orders for large numbers of small steel shelters, which could be erected in gardens or back-yards, and which would be distributed free to those who particularly needed them and who were in receipt of incomes of less than £5 a week. Delivery of these shelters was begun at the end of February, and by Easter about 300,000 had been distributed, capable of accommodating up to 1,600,000 people. It was announced that a million more had been ordered, and that the rate of distribution would be doubled.

Among the other miscellaneous measures of civil defence that have been reported during the past three months have been the following. An information bureau has been set up at the Ministry of Health to advise businesses intending to transfer their headquarters from London or other crowded areas in the event of war; the businesses have been warned to avoid transferring to reception areas, where accommodation would be already taxed to the limit by the children and others evacuated from the cities, to the number

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of a million and a half from London alone. A general outline of war-time lighting regulations has been issued. The Government has set up a Civil Defence Research Committee, composed of eight leading scientists. A definite defence rôle, which will include the protection of public utilities and other vulnerable points, has been allotted to the National Defence Companies, which form a portion of the territorial army reserve. These companies, which are on a military basis, are open to ex-service men between the ages of 45 and 51.

Another field in which defensive plans have gone rapidly forward is that of food supply in the event of war. According to an official statement to the press, the machinery of rationing essential commodities is ready to start at a moment's notice, and a complete rationing system, such as that with which the last war terminated, would be in force within ten days. Plans include the decentralisation of food markets and the distribution of free iron rations to the refugees from the evacuated areas. The Food (Defence Plans) department has circularised all bakers inviting them to hold additional stocks of flour at or near their places of business, as a reinforcement to the centralised stocks which have been accumulated under government authority. Payment for this service is to be made at the rate of 2s. 6d per annum for every extra sack of flour stored. The department has appointed area officers who would, in war time, control the supply of meat and the movement of live-stock. It has also submitted to wholesale grocers and provision merchants, for voluntary action, a scheme whereby these distributors would form regional groups designed to render each other mutual aid in the event of war.

The Government has also announced plans for stimulating the production of essential foodstuffs in Great Britain, the central provision being a subsidy of £2 per acre of land, now treated as permanent grass, which is ploughed up before the autumn and brought into a state

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of cleanliness and fertility. It is expected that some 250,000 acres will be treated in this way. At the same time, the Minister of Agriculture announced that a reserve of fertilisers had been secured and arrangements made for their distribution, as well as the distribution of feeding stuffs, tractors and other machinery, implements and seeds required for war-time production.

### III. CONSCRIPTION

**E**VEN more remarkable than these developments in the field of civil defence has been the revolution—for it is scarcely less—in policy and action in regard to the army. In presenting the army estimates, Mr. Hore-Belisha announced that the army was now to be organised on the basis of providing a field force of 19 divisions, which would be available for action in a European theatre if necessary. This force would include, from the regular army, four infantry divisions and two armoured divisions, and from the territorial army nine infantry divisions, three motorised divisions and an armoured division; in addition, there were two territorial cavalry brigades, and a number of non-brigaded units, regular and territorial. In planning his famous military reforms, said the Secretary of State for War, Mr. Haldane had projected a field force of six infantry divisions and one cavalry division only, and this was the striking force available for action in Europe in 1914. By contrast with pre-1914 days, the territorial force would now be equipped for a European war. Home defence would be undertaken by a new anti-aircraft and coast defence army.

This statement was made on March 8. At the end of March—the invasion of Czechoslovakia having taken place meanwhile—it was announced that the territorial army would be raised at once from a peace establishment of 130,000 to a war establishment of 170,000, and that this figure would itself be forthwith doubled, making a total of

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340,000. Questioned why, in a recruiting speech a few days later, he had proclaimed "Come on, the first 250,000", instead of 210,000 as the above figures indicated, Mr. Hore-Belisha said that the quarter-million included "anti-aircraft units and everything: the figure we are aiming at is 450,000". Within a few weeks, many of the territorial units had reached war establishment and were beginning to form their second line. In certain Government circles, there arose at this period a powerful agitation for a fresh scrutiny of the list of reserved occupations, members of which had been instructed not to enrol for defensive duties that would involve full-time employment in war; such duties, of course, included the territorial army. The principal amendments made since the list was first issued in February had been in the way of additions. At the end of April, however, the schedule was revised and categories removed from it that would release about 1,500,000 men. The number of men reserved between the ages of 18 and 50 is at present about 3,500,000, and the number not so reserved about 7,500,000.

A far more fundamental change in military organisation was to come. On April 26, Mr. Chamberlain announced the introduction of conscription. All men between their twentieth and twenty-first birthdays would be called up for six months' military training. On discharge after the six months they would have the option of entering the territorial army for three-and-a-half years or of passing to a special reserve of the regular army. About 310,000 men would be affected by this decision every year, but deductions would have to be made for various causes. The measure would be introduced for an initial period of three years only. Provision would be made for the exemption of conscientious objectors, but they would be obliged to undertake other work of national importance. Mr. Chamberlain justified this overriding of his previous pledges not to introduce conscription in peace time, by suggesting that the times through which we were living were not peace



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in any sense in which the term could fairly be used. As for the "conscription of wealth", which had been linked in discussion with the conscription of man-power, wealth was already very largely conscripted by taxation; but legislation would be introduced at an early date to limit by still further measures the profits of firms mainly engaged on rearmament. If war broke out, moreover, special penalties on profiteering would be imposed, and any augmentations of profits or individual wealth would be curtailed for the benefit of the State.

This measure, which was announced on the eve of Herr Hitler's speech to the Reichstag, was received with enthusiasm among most of the Government's supporters, and with cordial relief and congratulation in friendly foreign countries, particularly in France, where the failure of Great Britain to introduce conscription had been regarded with considerable resentment, not to say suspicion lest it betokened an intention to run away from European engagements through sheer inability to carry them out. It was, however, bitterly opposed by the Labour and Liberal Oppositions in Parliament.

The Opposition case is founded partly upon objections of principle. Compulsory military service is regarded as a derogation from democracy and freedom—an argument hard to sustain in face of the fact that almost every other democracy in Europe regards it as an essential democratic institution. Military conscription is feared as the precursor of industrial conscription. It is regarded, by some, as implying a wrong view of the part that Great Britain could most effectively play in a continental war, and as unnecessary to secure the size of army that we are capable of equipping and training in peace time, or of mobilising, transporting and supplying in the event of war. Critics of the British attitude, at home and abroad, must remember the long tradition of limited participation in continental wars, which was shattered in 1914 but again adopted as a result of the belief that hundreds of thousands of men fell

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unnecessarily in the British offensives in France and Flanders. They must remember, too, the tradition that the army is the instrument of an executive that has not always been fully controlled by the people.

After a first outburst, however, the Opposition concentrated their attacks more upon the manner in which conscription was introduced than upon its general substance. They bitterly attacked Mr. Chamberlain for having broken his pledges given to the House of Commons, to the trade unions and to the Opposition parties, not to introduce conscription in peace time, and for having made this sudden and revolutionary change in the marshalling of our man-power without first consulting the Opposition and the trade unions. It is possible, indeed, that greater tact might have been employed in announcing the new policy, but nothing in the Labour or Liberal attitude suggested that if those parties had been consulted they would have consented to this measure, which the Government and its military advisers, on the other hand, felt was urgently necessary in the light of our new commitments in Europe and the danger of war within a few months.

There have been signs that opposition to the principle of compulsion is not universal among the Labour and Liberal parties. Before the conscription measure was announced, a group of trade unionists had signed a memorial advocating some kind of compulsory service, as required for the defence of this country and the honouring of its commitments. A contemporary survey by the British Institute of Public Opinion showed that, among those in the sample who expressed a definite view, nearly one-third of the Opposition supporters actually preferred compulsion to the voluntary system in securing an enlarged army, joining in this opinion a bare half of the supporters of the Government.\* The conclusion that conscription, once introduced, has the assent of a very large majority of the public is irresistible, and it has been noticeable that Labour criticism

\* *News-Chronicle*, May 5, 1939.

## GREAT BRITAIN

has tended to concentrate more and more upon the details of the measure. A motion approving the Government's policy was carried in the House of Commons on April 27 by 376 votes to 145. Although the Opposition Liberal party had officially declared itself as uncompromisingly hostile to that policy as the Labour party itself, nine of its members—including Mr. Lloyd George—voted with the Government, exactly the same number as voted against the motion.

The conscripts, who are to be known as militiamen, are to be paid 1s. 6d a day, with allowances for dependents. The decision to pay married allowances has entailed an expensive change in the army regulations on this score; for hitherto the regular soldier has not been able to claim married allowances before he was 26 years of age, a limit that has now been reduced to 20 years, since it would be manifestly unfair to leave him in a worse position than the conscript. Introducing the Bill, Mr. Chamberlain said that over its three years' term the measure was expected to produce a total of 800,000 militiamen. He declared that the provisions for the exemption of conscientious objectors would be interpreted sympathetically and generously.

In the same speech the Prime Minister announced that the Bill, which as drafted applied only to Great Britain but could be extended to Northern Ireland and the Isle of Man by order, would not be applied to Ulster. This announcement was greeted with disgust among the Northern Irish Unionists, who apparently looked forward with eagerness to the prospect of coercing the Catholic Nationalist minority to fight for England against their will, but with relief in the twenty-six counties and among those who believe that good relations between Great Britain and Ireland are of far greater defensive value than a few thousand conscripts more or less. British subjects who are ordinarily resident in parts of His Majesty's dominions outside the United Kingdom are also exempt.

Ireland, it must be confessed, is not as a rule much in

## THE BUDGET

the minds of British people in these days, but it has lately been forced upon their attention by a series of bomb explosions perpetrated by people describing themselves as members of the Irish Republican Army. The object of these childish but dangerous escapades has been, it seems, to end partition, but the only kind of partition that they have seemed like damaging has been the shopfronts of a few random firms in British cities and the walls of certain telephone booths, railway cloakrooms and public conveniences. No serious damage has yet been done, though attempts have been made to blow up electricity pylons, canals, and even Hammersmith bridge. The gentleman responsible for the last-named outrage was sentenced to 20 years' penal servitude, and several sentences of that term were meted out to men convicted at Manchester assizes of conspiracy to use explosives. At the time of writing, 38 men and women have been convicted of offences in connection with the explosions, and have received sentences averaging close on ten years each, not counting concurrent terms of imprisonment.

### IV. THE BUDGET

**R**EARMAMENT has to be paid for, and the bill for conscription has yet to be presented to the taxpayer. The defence estimates for 1939-40, as originally framed, totalled £580 million, an increase of £175 million on the 1938-39 figure. While people were wondering, with growing anxiety, how this sum was to be found, the Chancellor of the Exchequer asked Parliament to raise to £800 million the total of £400 million which the Defence Loans Act of 1937 had authorised him to borrow for defence purposes. Shortly afterwards he announced that he would borrow this year £350 million, a figure that would actually leave a smaller residue to be met from tax revenue than in 1938-39. Nor was this the final limit of his unorthodoxy. Between the presentation of the estimates and

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the opening of the budget, decisions to expand the army (before the adoption of conscription) had added to this year's cost a further £50 million, of which Sir John Simon proposed in his budget speech to borrow £30 million.

In spite of this readiness to borrow, the Chancellor had no easy budgetary task. The year 1938-39 had ended with a deficit of £12,714,000, ascribable to a short-fall in income tax and more especially in estate duties. The recession in trade and the fall in capital values obliged him to keep his estimates of tax yields in 1939 to a conservative level, with the result that after deducting the sums to be borrowed he was faced with a deficit of £24 million. This he covered by a series of increases of taxation. A tax on photographic films and plates, equivalent to 2d per spool on the popular sizes of film used by amateurs, would yield £800,000 this year and £1,000,000 in a full year. An increase of the tobacco tax by 2s. a pound would yield £7 million this year and £8 million in a full year. Increases in surtax would produce £4 million this year and £5 million in a full year. A surcharge of 10 per cent. on death duties on estates exceeding £50,000, excluding agricultural values, would yield £3 million this year and £5 million in a full year. An increase of a farthing a pound in the sugar duty would produce £4 million this year and an extra half-million in a full year. Finally, the horse-power tax on private motor cars was raised from 15s. to 25s. per unit, to bring in £6,250,000 in 1939-40 and £11,500,000 in a full year. Against these additional burdens, the Chancellor conceded two small reductions of taxation, lowering the entertainment duty on "live" performances, and abolishing the stamp duty on patent medicines. In sum, his changes of taxation were just sufficient to make good his £24 million deficiency, and he balanced his budget—if that is the correct description for a process that includes borrowing £380 million for current purposes—at the huge total of £1,322 million.

The budget was greeted with general relief; for the

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taxpayer had feared a much heavier call upon his means. It was attacked by the Opposition mainly on the ground that by leaving so much to be borrowed it made inflation inevitable, and so threw the real burden on wage-earners, pensioners and others least able to pay. No one can deny that there is danger of inflation when the Government proposes to borrow in a single year nearly as much as the estimated annual savings of the whole community. The compensating factor—a very important one, as German experience has shown—is the existence of a great deal of idle capital and labour, which a policy of large-scale government borrowing may bring into activity. The effect of rapid rearmament upon unemployment has already been felt. Between January 16 and April 17, the numbers unemployed in Great Britain fell by 395,000 to 1,644,000, the lowest figure recorded since 1937. The economic future, if we are spared the war that many of us fear, can only be a matter for speculation; for immense government borrowing, conscription for a quarter-of-a-million young men a year, and a considerable diversion of civilian activity from its normal channels, have produced an entirely new economic order of things, and may well produce a new social order.

# AUSTRALIA

## I. JOSEPH LYONS

THE whole Australian people, of every class and creed, was bowed in grief at the death of Mr. Lyons—grief as deep and widespread as has ever been evoked by the death of a public man in this country. Nothing had prepared us for it. The Prime Minister was only 59 years old. He had always been a healthy man. The strain of his official responsibilities had been especially heavy in recent weeks, but those of his colleagues who were personally closest to him had no suspicion that this strain had had results more serious than a weariness that could be cured by a few days' rest. On the Wednesday, we were told that he was suffering from a chill and had gone into hospital for a few days' rest. On Thursday, he became critically ill, from heart seizure. On Friday morning—Good Friday, April 7—he was dead, and his country was the poorer by the loss of one of the most honourable, straightforward, large-hearted men who ever took a part in its political life.

Joseph Lyons had no dazzling gifts. The qualities that enabled him to become the accepted and successful leader of a Government, and to hold that office with increasing respect and confidence for some seven years, were not compelling eloquence, nor dominating personality. He had great political capacity and shrewdness. But he held a sometimes very difficult party together, overcoming parliamentary crises that might easily have wrecked a more brilliant leader, and keeping to an increasing degree the confidence and the affection of the whole Australian community, through a simple, straightforward honesty, a genuine humanity, and an essential goodness,

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that were never doubted, even by his strongest political opponents.

This was the more remarkable in that Lyons was one of the not inconsiderable number of Australian public men who, having begun their political career as members of the Labour party, transferred their allegiance, and attained high office on the other side. Such men, for the most part, have never been able to shake off the bitter mistrust, often the deep personal rancour, of their erstwhile political friends. This was not the fate of Lyons. He left the Labour party in 1931, under circumstances that exempted him from any suspicion of self-seeking motives, and he incurred no personal mistrust or rancour. Indeed, his strong personal friendly relations with most of his political opponents helped him to achieve his success as a parliamentary leader.

He was a strong and loyal Australian. But he did not believe that there was any inconsistency between a whole-hearted devotion to the national interests of Australia, and an equally strong adherence to the British Commonwealth of Nations. He saw in our membership of the Commonwealth, not any limitation on our independence, but a fuller and more effective opportunity for our self-realisation as a nation. This spirit informed his whole policy in our relations with the Empire.

No sketch of Mr. Lyons would be complete without a reference to the deep but unobtrusive religion, which was the strongest influence in his life, and the secret of those qualities which so endeared him to his colleagues and his fellow citizens. He belonged to the Roman Catholic faith. He was a man of large-hearted tolerance, nor was there any touch of sectarian bitterness in his make-up. The spectre of sectarian strife, which in the past has played a large part in elections in this country, never seriously raised its ugly head at any of the federal elections since he became leader. He leaves among many thousands of Australians a deep sense of personal loss.



## AUSTRALIA

### II. THE NEW PRIME MINISTER

SINCE December the position of the federal Government has grown weaker. Even though its increased activity in defence matters has helped to arrest its drift to electoral unpopularity, it lost ground through its handling of the national insurance problem, which involved the resignation of the Attorney-General, Mr. R. G. Menzies. Though hardly a popular political figure, Mr. Menzies was an influential member of the Government. He resigned, according to his own statement, because he could not reconcile the latest policy of the Government in regard to national insurance with an undertaking that he had given to his constituents quite recently on the same subject. His attitude was generally commended by the press, but some observers felt that he might have stood by the Government at this critical period. Although the parting between Mr. Lyons and Mr. Menzies was friendly, the late Prime Minister undoubtedly felt the defection keenly—more keenly perhaps than was realised at the time.

The Government had had much trouble with its national insurance plans. In February it was apparently prepared to abandon the whole scheme, or at least to postpone its operation indefinitely. News of this alleged move leaked out and provoked a surprising demonstration of popular opinion, as reflected in most leading newspapers, against such a course. The *Sydney Morning Herald* and the *Melbourne Herald* both took a definite line, and by the time the party meeting—which had been specially convened, so it was stated, to bury the whole scheme—was held the Government had no chance of getting rid of its Old Man of the Sea. As a result of the meeting, the Government decided on a revised scheme, which was only a shadow of the scheme embodied in the existing legislation. It is doubtful whether this plan will be accepted by Parliament, as it does not satisfy any important political section and is opposed both by the friendly societies and by the doctors.

## THE NEW PRIME MINISTER

The Government gave as its reason for the proposed reduced scale of benefits the increased expenditure necessary on defence. Repealing legislation is necessary if the original scheme is to be revised or abandoned, and the difficulty of getting this through Parliament may be considerable. The real lesson of this minor crisis was to show that the mass of people wanted national insurance, which had previously been supposed to be unpopular with a majority of the electors.

The death of Mr. Lyons raised acute problems regarding the choice of a successor. An interim Government was formed under the leadership of Sir Earle Page, but it was understood that Sir Earle would hold office only until the United Australia party had elected a new leader, who would then, as head of the largest party in Parliament, succeed to the Prime Ministership.

Of the members of the U.A.P. in the federal Parliament, only three had substantial claims to be considered as Prime Minister. They were Mr. W. M. Hughes, 74 years of age, an ex-Prime Minister and then Minister for External Affairs and Attorney-General; Mr. R. G. Casey, the Treasurer; and Mr. R. G. Menzies, the former deputy leader of the party. There was a move in some quarters to induce the High Commissioner in London, Mr. S. M. Bruce, to return to Australia and take over the leadership of the Government. This move, though it commanded widespread support, was in any case made rather too late to allow of its being a success; but it is understood that Mr. Bruce, when approached, indicated that he would return only on condition that he was invited by all the three federal parties, as he was unwilling to enter into party political life again. He would agree to lead only a National Government. The fulfilment of such a condition, however, is quite beyond the range of practical politics in Australia to-day. The claims of Mr. Stevens, Premier of New South Wales, were also canvassed, but the difficulty of finding him a federal seat proved insurmountable, and

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he was never really a likely candidate, though his driving force, administrative ability and leadership would be of great value at Canberra. The actual contest resolved itself into a struggle between Mr. Menzies and Mr. Hughes. The former was successful, it is stated by a narrow majority, and he has formed a new Government.

It is too early yet to try to estimate the effect of Mr. Menzies' election on the political life of the country. In many quarters it will not be welcomed. He has never been a popular figure, although he has been in public life for some years. A coalition Government, if that is practicable, may not work so easily under his direction as it did under that of Mr. Lyons. Mr. Menzies has never disguised his feeling that the Country party exercises an undue influence in federal politics, and he may be expected to attempt to curb this tendency. In this he will have some following, but he will be handling political dynamite which may blow his Ministry to pieces. Whatever doubts are felt at present concerning the future of his Government, there will be a tendency to withhold judgment and to allow him time to prove his capacity for leadership. The country needs this badly, and the people will be quick to react either to its presence or absence in the new Prime Minister.

The immediate effect of Mr. Menzies' election as leader of his party in federal politics was an indication that the Country party would not join any Government led by him. The need for the strongest possible Government is apparent to everyone, and Sir Earle Page will have to produce some extraordinarily strong reasons for his party's non co-operation if he hopes to get public support for his action. The community, as a whole, has been rather disgusted with the party and personal manœuvres for position that have been going on during what is regarded as a period of crisis. The new Government will be judged largely by its ability to convince the public that it can handle the difficult problems that are associated with the defence of the

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Commonwealth. As Mr. Menzies is an advocate of universal service, this measure now becomes more than a possibility.

### III. AUSTRALIA AND WORLD AFFAIRS

WHATEVER may have been the views of Australians about the Munich negotiations, after the German *coup* of March 1939 any sympathy for German aspirations was swept away. At any rate until then, the supporters of Mr. Chamberlain's policy were growing in number, particularly as responsible visitors from Europe came to this country with little but praise for Mr. Chamberlain's handling of what they termed a very difficult situation. Such diverse types as Lord Nuffield and Mr. Bruce brought much the same story. The broad significance of all the events of recent times is just beginning to be appreciated. If the threat of the dictator States has done nothing else of value, it has done much to stimulate a greater sense of national duty. The awakening process has definitely begun. Australians are beginning in a more lively way to take stock of international events. The sincerity of Herr Hitler's speech to the Reichstag on January 30 was doubted in many quarters, although in Government circles public utterances on the subject were reserved. The hard threats behind Herr Hitler's reference to countries with empty spaces, if they were sincere, and if they referred to Australia, were regarded as an example of the failure of Nazi politicians to appreciate facts. Many Europeans still fail to understand that only a small part of Australia is capable of close settlement. The greater part of it is desert or almost desert. Even those parts which are classed in Australia as good pastoral lands require special adaptability in anyone who would settle upon them, and a readiness to meet hardships of a type that is little known in Europe. It is noticeable that recent migrants do not take readily to settling anywhere but in the towns or the closely settled rural areas.

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Evidence of the strengthening of Great Britain's defence forces has been widely welcomed. So have the stiffer pronouncements of the British Government on foreign affairs, and the moves for a closer understanding with Russia. Australians are not unmindful of the significance in the Pacific sphere of such an understanding. In an outspoken statement on March 23, Mr. Lyons declared that the pledges of Herr Hitler had been broken and agreements with Germany were now worthless. There is a determination in Australia that Australia and its dependencies and mandated territory must be kept inviolate from outside interference. There is also a greater realisation that Australian interests will be affected by any further trespass on British interests in the East.

### IV. THE DEFENCE PROGRAMME

THE last number of THE ROUND TABLE contained some particulars of the defence programme for the three years beginning June 30, 1938. In December the original estimated expenditure was increased to £63,000,000; the sum of £70,000,000 is now mentioned and accepted by the public as a necessary burden. Since Munich, the press and the lay public have offered heated criticism of many aspects of the Government's defence policy; this is due partly to a public awakening to defence needs after the deep slumber of a few years ago, and partly to legitimate resentment at official shortcomings. Faults lie both with the public and with the Government. The public, perhaps, has little appreciation of the enormous difficulties involved in the rapid expansion of any service. The demand for compulsory military service continues, and may become an important political issue under the new Cabinet. But the shortage of instructors and equipment may well provide a sound reason for its postponement.

In the meantime, the militia has exceeded the projected strength of 70,000, and it has been stated officially that more

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recruits will be accepted. The report of the Inspector-General, Lieutenant-General E. K. Squires, came before the Cabinet in February. It has not been made public, but it is understood to recommend the establishment of a regular army of 7,500 men, in addition to the militia. Apart from certain Labour organisations, such as the All-Australian Trade Union Congress, there have been no critics of this proposal, which has been generally welcomed as a real contribution to defence. The regular army, thus increased, will be an excellent training-ground for the officers and instructors required for an expanding militia force or a conscript army, should the latter be necessary at a later stage. At the end of February the press announced the partial adoption of the Inspector-General's report, and the public felt that the permanent force would soon be an established fact. But it was later stated that it was to be established over a period of five years, only 1,500 men being recruited during the first year.

The Government has now given more detailed consideration to the establishment of defence outposts. In a previous issue of *THE ROUND TABLE*,\* reference was made to the proposed air and naval base at Port Moresby (on the southern coastline of New Guinea). Attention has been drawn in the press and in public addresses to the need for extending Australia's defensive sphere of influence to the Pacific islands not at present controlled as territories of Australia. A suggestion that the Empire should provide fortified bases stretching eastwards from Singapore to Fiji has interested the public. Many people are concerned about the ease wherewith raiders, or even more imposing forces based on the Caroline islands, might descend upon the Australian eastern seaboard. There has, however, been no official pronouncement on this subject beyond reference to Port Moresby and Port Darwin (on which £840,000 is to be spent this year), presumably because it is held impossible to extend the defence effort any further.

\* No. 114, March 1939, p. 419.

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The question of adding one or more capital ships to the Australian navy has been discussed again. In December, Mr. Street, Minister for Defence, stated that the cost of securing one new capital ship for Australia would be in the vicinity of £16,000,000.\* He made no mention of the possibility of securing a modernised ship to go on with, although that was the suggestion thrown out here some months previously by Admiral Sir Howard Kelly, an informed authority on Pacific naval matters. The Minister's statement was therefore incomplete, as it is understood that £16,000,000 would probably secure two or three modernised ships, if they were available, and the ancillary ships and equipment. The Minister's statement did indicate, however, that the Government would obtain expert advice concerning the construction of a capital-ship dock, so presumably the matter has merely been shelved for the time being. In the meantime, the modernised H.M.A.S. *Adelaide*, converted to oil-firing and otherwise reconstructed, has been re-commissioned. Later in the year H.M.A.S. *Perth* will be added to the squadron, making six cruising ships in all. The preparedness of the Royal Australian Navy is now much greater than at the time of the September crisis.

Considerable impetus has been given to the industrial side of the defence preparations. An advisory panel of business men has proved of considerable value. The Government, furthermore, has now determined to establish a compulsory national register.

Naval shipbuilding orders have so far been restricted to the Cockatoo dockyard. The whole of the naval shipbuilding in Australia, under the revised programme of December 1938, will be done at this yard. During the period ending in June 1941, it is contemplated that two flotilla leaders of the Tribal class, each of 1,850 tons, two sloops of 1,060 tons each of the Yarra class, three boom defence vessels of the Kookaburra class and twelve motor

\* See THE ROUND TABLE, *loc. cit.*

## THE DEFENCE PROGRAMME

torpedo-boats will be constructed. While the shortage of skilled artisans in this industry has raised and will continue to raise serious problems, it is not disputed that in an emergency other yards could undertake naval ship-building, and the output of naval tonnage could be increased considerably.

In the supply of air-force equipment, the most significant recent step has been the bringing to Australia of a British air mission, headed by Sir Hardman Lever. Firms interested in the production of aircraft or with facilities for production have been encouraged to appreciate the function that Australia can exercise as a manufacturer of aircraft for neighbouring Empire countries. The future of the industry in Australia is bright. Much preliminary work remains to be done; apart from the setting up of factories, artisans have to be recruited, but there is much good material available. Orders for air-force planes, except elementary training planes, have so far been given only to the factory at Fisherman's Bend in Victoria, which has orders for 100 of the Wirraway type. It is understood, however, that the Clyde Engineering company, near Sydney, manufacturers of locomotives, farm and other machinery, propose, in association with well-known British manufacturers, to enter upon aeroplane production at an early date.

For present requirements, which are most urgent, the Defence Department is obtaining 50 Lockheed planes from the United States, 100 Wirraway planes from Melbourne, and 40 Avro Anson planes on charter from England. More modern planes than Avro Ansons are on order from England, but when they will enter the service is doubtful. In January 1939 equipment valued at nearly two million pounds, ordered in England, had not yet been delivered. This lag has forced the Government to order in the United States. It has been publicly stated, with authority, that the air mission, which has made its report to the Government, is satisfied that a substantial



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output of air-force planes could be expected from the future Australian aeroplane industry. The Government has adopted the report and is taking steps at once to implement it. It is understood that assembly factories will be established at Sydney and Melbourne, and that government railway workshops and private factories will co-operate in the manufacture of essential parts.

Besides the extension of the Royal Australian Air Force stations at Laverton, Richmond and Point Cook, stations are now being developed at Perth, Port Darwin, Canberra, Townsville and Amberley. A start will soon be made with further stations between Sydney and Brisbane and at Port Moresby. The objective is to build station equipment sufficient to house and operate 19 squadrons with a first-line strength of 212 planes.

The supply of army equipment is in arrear, and the delay, which has given rise to many warnings, is perhaps one of the reasons why some Government supporters have hesitated to insist on compulsory military service. The increase of the voluntary militia from 35,000 to 70,000 in a matter of months has created a shortage even of preliminary equipment, such as uniforms. The production of machine guns and rifles is stated to be sufficient for present requirements, but supplies of the Bren gun have not yet come forward from Lithgow, where the factory for its production is still incomplete. Heavy equipment, such as artillery, is produced in insufficient quantities, and much remains to be done in this department. An immediate emergency would find the new militia insufficiently supplied with artillery and accompanying equipment. Anti-aircraft guns are now coming forward to anti-aircraft units, but not yet in sufficient quantities for a major war in the Pacific sphere. In February, however, Mr. Lyons was able to announce that "we are no longer dependent upon overseas factories for mobile types of guns". Ammunition supplies have also much improved.

As regards raw materials used in defence, it is officially

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stated that magnesium and aluminium for aircraft construction may shortly be obtained in substantial quantities from crude ore deposits in Tasmania. More important still is the achievement of co-operation between the major oil companies and the Government on the question of accumulation of oil supplies, with the aim of increasing the stocks now carried.

At a public meeting in the shipbuilding district of Balmain, Sydney, Mr. Street made it clear that he would demand value for every penny spent in defence, together with efficiency and despatch, in order that the programme should be fully completed by June 1941. His statements, made from time to time, have inspired confidence in widely different political quarters. The readjustment of public opinion since Munich has tended to swing Australian public opinion, not so much behind the Government, as behind the defence programme, which is supported by representatives of all shades of political thought, although not by all political organisations.

On such issues as compulsory military service there is much difference of opinion. In the Labour party there is a greater disposition than formerly to support the proposal. While the Australasian Council of Trade Unions, among other working-class bodies, is still officially opposed to compulsory military service, there is every indication that many members of the Labour rank and file are restive, believing that the anti-compulsory-service plank does not strengthen the Labour platform. Generally speaking, there is now not much difference between the Government defence programme and that of the Labour party. Mr. Curtin, indeed, charges the Government with stealing his important defence points and making them its own. Whatever may be the protestations of political parties in Australia to-day, the guiding factor is a public opinion that wants defence and seems prepared to foot the bill.

Australia,

April 1939.

# SOUTH AFRICA

## I. POLITICAL CHRONICLE

THESE paragraphs are being written during the course of the parliamentary session which has lasted, save for the customary Easter recess, since February 3. On the whole it has been a successful session for the Government, and most of the forebodings of difficulty have been belied. To a large extent this is due to General Hertzog's success in creating the right atmosphere for his English-speaking supporters. They had been gravely disturbed by the events that sprang from the Voortrekker centenary celebrations of last year.\* The renaming of Roberts Heights as Voortrekkerhoogte had come as a profound shock to the sentiment of most English-speaking South Africans. At the same time they were disturbed by the movement, born out of those celebrations, for the political reunion of Afrikaans-speaking South Africans, at present divided between the United party of General Hertzog and the Nationalist party of Dr. Malan. This would relegate the English-speaking citizens to the position of a minority racial bloc. This latter movement, be it said, was sponsored by no one less than the Prime Minister's own son, Dr. Albert Hertzog. This fact added to the uneasiness, but it gave the Prime Minister his opportunity. In a most admirably conceived and expressed letter, addressed to his son and published in the press, he decisively rejected any proposal for reunion that did not take account of English-speaking South Africans, and asserted again the necessity of co-operation between the two sections, which is the essential basis of the United party. Largely because of

\* See THE ROUND TABLE, No. 114, March 1939, pp. 424 *et seq.*

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this letter, the disaffection within the United party that had been stimulated by the Roberts Heights episode almost completely died away, and the Government's course in the House during the first half of the session became a smooth one.

On the whole, too, the decline in the Government's popularity in the country has been checked. It has had the misfortune of having to fight, within a period of two months, four by-elections in seats that it had won at the general election last May—a large number in relation to a House of 153 members. Three of these seats it retained, though with reduced majorities. In the fourth, Paarl, a constituency near Capetown, a favourable majority of 427 was converted into a hostile majority of 107—in itself not a very large turnover of votes at a by-election in a constituency of 8,000 voters.

In three of these by-elections the contests were straight fights between the United party and the Nationalists: in the fourth, at Pretoria city, a Dominion party man also entered the lists in a constituency never yet contested by that party. He was decisively defeated, and his defeat seems to have contributed to the party's decline, which has been going on since the general election of last year. There are to-day definite signs of impending disintegration of the Dominion party. It has virtually no hold in the country anywhere outside Durban, and it is losing ground there. The English-speaking section of the country seems to be rallying more and more to the Government's support: as the news from Europe has grown in gravity, the necessity of maintaining a united front has come to be increasingly appreciated.

The by-elections have shown, however, that the Nationalist Opposition is still gaining ground, though not as rapidly as it had hoped. The programme that it has been putting forward, though effective in the stimulation of sentiment and prejudice, fails entirely on the constructive side. The main debate of the session so far, apart from the budget

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debate, was on an Aliens Amendment and Immigration Bill introduced by Mr. E. H. Louw, who returned to South Africa last year after representing the Union in Washington, London and Paris, and is now a Nationalist member of Parliament. That Bill was a definitely and unashamedly anti-Semitic instrument. It sought to terminate completely Jewish immigration, which had already been severely curtailed by the Aliens Act passed two years ago, and to apply certain discriminatory provisions to Jews already in the Union. The Bill was decisively rejected in Parliament, all the other groups voting with the Government against a Nationalist minority of 17, but it won for the Nationalist party a certain amount of support in the country, where anti-Semitic feeling has become a far from negligible factor.

The other main feature of the Nationalist party's activity has been the stimulation of anti-colour prejudice. It has seized upon anything that might stir up the always susceptible feelings of a large section of the people of South Africa in matters affecting natives and Coloured people and Asiatics. In particular, it is pressing for the segregation of Coloured people and Asiatics, and by doing so has caused the Government a good deal of embarrassment. Many Government supporters feel just as the Nationalists do in these matters, while others retain, in varying degrees, a measure of liberal tradition and sentiment. The question as it affects the Cape Coloured section of the population is dealt with in a later part of this article. The Asiatic aspect has presented the Government with special difficulties. At one time it appeared as if the Government, in order to pacify some of its supporters, was going to introduce an Asiatic segregation law, to the intense resentment of the Indian community in South Africa and the people of India. It appears, however, that the Government of India made representations, and that the matter is to be the subject of further consultation between the two Governments, by round-table conference or otherwise.

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Certain other highly contentious proposals were foreshadowed earlier in the session, giving colour to the view that there is a growing authoritarianism in the Government's outlook. One such proposal was for a drastic alteration of the rules of procedure of the House of Assembly, a proposal that seemed to ignore the experience gained in other parliaments, that it is by consultation between the parties rather than by the application of compulsion to the Opposition that the smooth working of the parliamentary machine can best be secured. At about the same time there was also foreshadowed the introduction of legislation for the control of the press, of the political activities of teachers, and of public meetings.

As the parliamentary session has advanced, however, all issues of this kind have tended to be eclipsed by the gathering war-clouds in the European firmament. As to the stand that South Africa would take if war were to come, the Government has not in terms given a clear indication. The position as defined by the Prime Minister remains in general much the same as it was last September.\* In one respect, however, there has been a significant change. Referring to the Union's position in the event of war, the Prime Minister said in the House on March 23 :

When and where the activities of a European country are of such a nature or extent that it can be inferred therefrom that its object and endeavour are the domination of other free countries and peoples, and that the liberty and interests of the Union are also threatened thereby, the time will then also come for this Government to warn the people of the Union and to ask this House to occupy itself with European affairs, even where the Union would otherwise have no interests or would take no interest in them.

Although, as this statement indicates, no opportunities have been provided for a debate on external affairs, it is permissible to infer from it that the aggressive aims of the totalitarian States, and the threat to freedom which they imply, have come to be appreciated in South Africa far

\* See THE ROUND TABLE, No. 113, December 1938, p. 51.

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better than they were in September 1938. The decision of the Government to amalgamate the police force of South-West Africa with the South African police, and to send substantial reinforcements of Union police to the territory, can only be interpreted as a response to the realisation that the German minority there might be used to give point to that threat.

### II. DEFENCE

TWO years ago an account was given in THE ROUND TABLE\* of the Union's defence schemes as then proposed. The swift march of events since then has made defence the primary national problem of the moment. There is little doubt that if war had come in September or October of last year the Union's internal politics would have necessitated a determined attempt to remain neutral. The progress of German policy, however, from the achievement of German unity to the aim of foreign domination, has wrought a considerable change in outlook in the Union. Even a portion of the Nationalist party is experiencing doubts as to the wisdom or feasibility of neutrality at all costs.

Considerable interest therefore attaches to Mr. Pirow's recent statement on defence in the House of Assembly. With one exception, the main lines of policy described two years ago remain unchanged. This exception concerns the proposals for mechanisation, which have been dropped. After extensive review, the Government has concluded that the thick and difficult nature of the bushveld country, where land fighting might be expected, and the absence of proper roads, make the development of mechanised units unwise—a remarkable conclusion.

As far as coastal defences and air and land defence are concerned, it is clear from the Minister's statement that progress has been patchy. Coastal defence, depending

\* No. 107, June 1937, pp. 556-65.

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largely on the obtaining of heavy armament from overseas, has obviously been delayed by the prior pressure of Great Britain's own needs. Little therefore has been achieved towards making harbours such as Capetown "battleship proof", except the acquisition from Great Britain, on indefinite loan, of the monitor *Erebus* with its 15-in. guns. For the same reason, aeroplane strength, though ahead of schedule, represents no more than the minimum of present needs. In view of these difficulties, efforts have been concentrated particularly on what can be achieved within the Union. Training of air force pilots and mechanics has proceeded apace. The plans made had budgeted for 50 pupil pilots, 100 fully trained reserve pilots, and 800 mechanics: the figures achieved to-day stand at 432, 150 and 2,080 respectively. The total of infantry available at short notice is now 28,000, and of those available within three months 53,000, only 3,000 short of the total planned for the end of the five-year period. Similarly, the number of men in defence rifle associations, standing at 50,000, exceeds expectation by 30,000.

In regard also to the local manufacture of munitions and armaments, considerable progress is being made. Small-arms ammunition has for some time been manufactured at Pretoria and production of heavier types is now planned. Arrangements are now being concluded with some of the chief engineering concerns on the Witwatersrand for the production of heavy artillery and trench-mortars. Experiments are being made with the manufacture of tanks, and it is reported that representatives of the Skoda works will shortly arrive in the Union to supervise production of the Bren machine gun. Finally, the Union Government is employing the powers it possesses under the Defence Act to compile a national register of available man-power between the ages of 17 and 60.

These defence activities mentioned above, and the recent despatch of police reinforcements to South-West Africa, make it reasonable to infer that the Union is to-day less



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complacent than formerly about its immunity from involvement in the crises of Europe.

### III. THE BUDGET

MR. HAVENGA had last year budgeted for a deficit of £100,000. He introduced his budget this year with the estimated deficit turned into an estimated surplus of £1,650,000. Indeed, later figures of revenue collections show that the realised surplus was still larger. The main reasons for the favourable budgetary position with which the new financial year opens are, first, the accident of an unexpected gain of £275,000 from death duties; secondly, the rise in the price of gold, which brought in another £355,000 from income tax upon gold mines; and, thirdly, the maintenance of profits in industry and commerce at an unexpectedly high level, which resulted in the receipt of some £307,000 more than had been anticipated in income tax on non-mining companies, while super-tax on individuals exceeded the estimate by £164,000. It is rather remarkable that these increased income-tax yields should have taken place when imports were being cut down so severely that customs duties yielded £250,000 less than the estimates, and well over £1,000,000 less than the yield for the previous year, although they included a windfall £300,000 collected upon imports of wheat, which normally are not allowed.

The Treasury expects a similar buoyancy to continue during the coming year. Mr. Havenga forecast a gross income of £44,110,000, against an estimated expenditure of £42,820,000 from revenue funds, providing an apparent surplus of £1,290,000. Out of this, £50,000 is to be sacrificed by a restoration of the rebate on normal income tax to its old level; the total cost is £600,000, but the current surplus is to be drawn upon for £550,000, which is the estimated yield of the lowered rebate in the year just past. An additional expenditure of £300,000 upon

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armaments has been put down on this year's estimates, and the rest of the 1938-39 surplus is to be devoted to the same purpose. Additional help for farmers is to be given through state-subsidised rebates on the rail and road freights on various farm products and farm requisites, at a cost to the Treasury of some £800,000. The levying of importers' licences, an unpopular tax imposed by the Cape provincial administration, and one that had become something very like an additional import duty, such as provincial councils are not competent to impose, is to be abolished; and the Cape Province is to be recompensed with an annual grant of £160,000. Provision was also made in the budget for the whole proceeds of the native poll tax to be made available for native development, if the responsibility for native education should be handed over by the provincial administrations to the Union Department of Native Affairs, at an additional cost of £180,000. In this way the surplus would be converted into an anticipated deficit of £200,000. As negotiations for the transfer of native education have broken down, the additional grant to the Native Trust will not be paid, and the estimated deficit is thus reduced to £20,000.

Last year the Treasury evidently expected the reduction of normal income-tax rebates to be progressive until they disappeared entirely. This year it evidently felt that it could look forward into the future with more confidence, and was willing not only to restore the full 30 per cent. rebate, but also to bring £550,000 of last year's surplus into the current year's accounts in order to enable it to be done without strain.

If there is general satisfaction with the revenue accounts, it cannot be said that the position of the loan account is quite so healthy. Expenditure is estimated at over £24,000,000. A local  $3\frac{1}{2}$  per cent. loan floated at par during the last year yielded merely £3,500,000, of which only £2,630,000 was taken up by the public. No less than £11,400,000 of the £17,200,000 raised last year was

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obtained by the cheap but relatively precarious method of issuing treasury bills. Negotiations are on foot for the resumption of overseas borrowing, but it seems impossible that loans can be secured on as easy terms as in the immediate past. The position has been relieved to some extent by the action of the Stabilisation Fund in following the example of the British Exchange Equalisation Fund and taking advantage of the higher market price of gold, but even so the funds available for the purchase of land in the released areas by the Native Trust are to be halved from £2,000,000 to £1,000,000. As the £4,000,000 already spent have only bought a million morgen of land, it would appear that there may yet be considerable delay before the 7,250,000 morgen promised for exclusive native occupation are made available for that purpose.

It cannot be said that all observers agree with the Minister's apparent claim that the rapid expansion of the loan votes since 1932 has in every instance resulted in "enhancing the permanent assets of the country". There is much to be said for the plea of Dr. N. J. van der Merwe, M.P., when he said: "I think that the Minister should bring our ordinary budget and our loan budget closer to each other, so that it is indicated to the public that our total expenditure is greater than our revenue".

### IV. SEGREGATION AND THE COLOURED PEOPLE

**I**N a previous issue of THE ROUND TABLE \* an account was given of the origin and the present position of the Coloured people of South Africa. It was then pointed out that

of the Union's non-European peoples the Coloured have been longest and most intimately in contact with Western civilisation, and have therefore become most thoroughly assimilated to it. . . . The attitude of the Europeans and their government towards the Coloured is, therefore, a good test of the extent to

\* No. III, June 1938, pp. 618-23.

## SEGREGATION AND THE COLOURED PEOPLE

which they are prepared to take their stand "on the firm and inexpugnable ground of civilisation as against the rotten and indefensible ground of colour".

The article then went on to cite a number of fields in which European Governments in South Africa had practised discrimination against the Coloured people, mainly since Union, and concluded with the prophecy that, owing to the growth of colour-consciousness in South Africa, further acts of discrimination were bound to follow.

The prophecy is now in process of fulfilment. Already the ominous word "segregation" is on the lips of everyone. It is to-day widely believed that segregation is the best means of solving what the people are pleased to call the "Coloured problem". Segregation has become a word to conjure with in South Africa. General Hertzog, so it is stated, has "solved" the native question by his policy, already translated into law, of political, territorial and industrial segregation.\* So far as the Coloured people are concerned, residential segregation has long been enforced against them in the ex-Boer republics of the Transvaal and the Orange Free State, while in the Witwatersrand area they may not occupy any building for any purpose whatsoever, except in certain defined localities. In the ex-republics, Coloured persons are, furthermore, kept out of certain employments by the European trade unions, and they enjoy no form of parliamentary franchise. In the Cape and Natal, on the other hand, the Coloured people have for a century enjoyed the right of occupying fixed property wherever they chose, and of engaging in any occupation, though the Government's "civilised labour policy" has now begun to restrict their opportunities of finding employment.† They still vote in the same constituencies as the Europeans, but have to satisfy conditions that are no longer imposed on the latter.

\* Industrial segregation means the exclusion of natives (Bantu) from certain spheres of employment.

† See THE ROUND TABLE, *loc. cit.*

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The agitation for Coloured segregation was started by the Nationalists of the Cape Province, where the vast majority of the Coloured folk live. In a heterogeneous community such as ours, the appeal to racial prejudices and fears must always be one of the easiest means of achieving popularity among certain sections of the people. The National party has made full use of the racial weapon ever since its inception in 1912. First it was the Black peril, now it is the Jewish and Coloured menace. In May 1937 the segregation appeal scored its first success, when the Cape provincial council passed a resolution asking for legislation to *compel* municipalities to establish separate residential areas for White and Coloured people. In April of the following year the administrator of the Cape Province, with the concurrence of his executive committee, published a draft segregation ordinance in order that the Cape municipal congress then in session might express its opinion thereon. The ordinance *allowed* municipalities to decree segregation, not only in residential areas but also in such buildings, conveyances, and places of entertainment or recreation as were under the control of the municipalities. The municipal congress refused to express an opinion on the ordinance, on the ground that the delegates had not had enough time to consider it. When the measure was subsequently introduced into the provincial council the United party, who form the majority of the House, succeeded in postponing consideration of it until the municipal congress should have expressed its opinion. This the congress has now done : during its session which has just concluded it accepted the principle of the segregation ordinance by 126 votes against 33, the delegates of the four largest towns (mainly English-speaking) voting in the minority against the representatives of the smaller (and mainly Afrikaner) towns.

In the meantime the Nationalists had intensified their segregation campaign. The celebrations of last year in honour of the Voortrekkers, who were represented as

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having made the country safe for "White" civilisation, gave their politicians a great opportunity. At the Blood river on Dingaan's Day, 1938, Dr. Malan, the Nationalist leader, speaking on the site of the Voortrekker victory over the Zulu chief Dingaan, took as his text the second Great Trek, the trek of the poor Whites to the towns, and the victory that would have to be won if these Afrikaners were to be saved for "White" civilisation. Over whom? That question had already been answered at the Union congress of the National party in November, when, as Dr. Malan wrote afterwards, the Cape Nationalists called the North to their aid, and inaugurated a nation-wide segregation campaign against the Coloured people. A petition was drawn up for circulation throughout the Union, demanding the prohibition of marriages or extra-marital unions between White and Coloured people, as well as residential, political and industrial segregation. Political segregation means the creation of a small number of purely Coloured constituencies (as has already been done for the Bantu) and hence the setting of a definite limit to the influence of the Coloured vote. Industrial segregation has been defined by *Die Burger*, the leading Nationalist newspaper in the Cape, to mean the reservation of certain industries, and certain kinds of work in other industries, exclusively for Europeans, and, in "mixed" industries, the establishment of quotas for Europeans and various types of non-Europeans.

It is important to be quite clear on the nature of the feelings that the Nationalist campaign has succeeded in stimulating. In former days, in the days of General Hertzog's "Black Manifesto", the Nationalists appealed to the sentiment of fear—fear lest a handful of Europeans be overwhelmed by the great mass of Bantu barbarians. This kind of fear can hardly be used against the Coloured people, who total only 768,000, who cannot be described as barbarians, and a number of whom enjoy a higher standard of civilised living than, for example, the poor Whites.

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But it is possible to describe them as a menace to the purity of the European race. And that is the line which the agitation is taking. The emphasis is on purity of blood. Coloured blood is bad blood, and from its infiltration the European must be saved, no matter at what cost. One of the leading Nationalist spokesmen said recently that discrimination based on colour, and the necessity of keeping the European race in South Africa pure, were "axiomatic" considerations. As late as 1932 the Nationalist leaders were still ashamed to admit that their non-European policies were based on colour rather than on civilisation. They have travelled quite a long way since then.

It goes without saying that the campaign which the Nationalists have been conducting must be deeply wounding to thousands of Coloured folk. Its most notable feature is the contempt that has been poured upon them. Through a large number of Nationalist speeches and writings there runs this refrain: "Europeans are living and working side by side with the Coloured people. The shame of it!" Whoever wants corroboration of this, let him read the columns of *Die Burger*. These arguments have been reinforced by insistence upon the depreciation of the value of house property that is said to follow on the entry of Coloured people into a predominantly European area; this has tended to weaken opposition in many quarters normally not responsive to Nationalist propaganda.

The Nationalist agitation proved so successful that the Government has now found it expedient to bow before it and to adopt a segregation policy of its own, which has been endorsed by the party caucus. The Government has not yet published the details of its measure, but has merely stated in very general terms what is in its mind, no doubt in order to test the reaction of the country. It has declared itself opposed to political and industrial segregation, but in favour of a move in the direction of residential segregation, partly on the mistaken ground that the Coloured people themselves do not desire to mix with Europeans.

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While the Nationalists propose to bring about complete separation between the races within a definite period, General Hertzog declares that the Government intends "to interfere as little as possible with existing rights of ownership or occupation". To which General Smuts adds: "We are not going to interfere with the present *status quo*, but we are going to peg the present position, to see that it does not develop further".

In comparison with the Nationalist policy, this proposal is certainly lenient. Nevertheless, if it were to become law an important change would have been effected in the status of the Coloured people in the Cape Province and Natal. When General Hertzog first outlined his Bantu segregation policy in 1925, he stated categorically that such a policy would not be applied to the Coloured people, since they belonged with the Europeans. No people can be expected without resentment to submit to the loss of rights long enjoyed, particularly if the motives behind the deprivation place a stigma on their race. Moreover, with the recent history of this country to guide them, how can the Coloured people be sure that this new dose of discriminative legislation will be the last?

The announcement of the Government's segregation programme brought to a head the anti-segregation movement that for some time had been agitating the Coloured people. The movement had started as a protest against the Nationalist segregation campaign, and, as the latter gathered momentum, so did excitement steadily rise among the Coloured people. Numerous anti-segregation meetings were held and anti-segregation petitions were circulated. Attempts were made (and are apparently still continuing) to galvanise into more vigorous life a non-European front consisting of Coloured people, Bantu and Indians in order to fight segregation, which now affects all three peoples, though in varying degrees. A number of churches of British origin supported the Coloured protests. The federal council of the Dutch Reformed Church,



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on the other hand, passed a motion in favour of segregation.

The first official intimation of the Government's segregation policy was given on March 21. Soon afterwards there came an announcement that on an appointed date Coloured meetings of protest would be held throughout the country, while on a given Sunday there were to be special prayers in all the Coloured churches. On the evening of March 28 a protest meeting attended by a crowd of over 10,000 Coloured people (according to a newspaper estimate) was held on the Parade in Capetown. The meeting, which was perfectly orderly, broke up at ten o'clock, when most of those present joined a procession, which, it was intended, should march past Parliament House. Some distance up Parliament-street the police ordered the leaders of the procession to turn into another street. A section of the people, however, continued their course, sweeping the police out of their way and injuring four of them.

After the Parade meeting had closed, some property was damaged in various parts of Capetown. Police vans traversed the city breaking up bands of demonstrators. In a number of cases, so it was alleged, the police attacked quite innocent people. The Minister of Justice (General Smuts) at first pooh-poohed the allegations, but later, when more evidence was produced, he said that his department found it very difficult to get at the facts, since the aggrieved persons refused to bring their complaints to the police. He guaranteed fair treatment to any Coloured complainant who came forward; but he would not agree to a commission of inquiry. Here the story must break off for the time being.

Union of South Africa,  
April 1939.

# NEW ZEALAND

## I. EXCHANGE CONTROL

AT the end of 1938 New Zealand was able to look back upon a year described by the Prime Minister as one of record prosperity. Whether or not "prosperity" is the right word to use, it seems clear that the combined effect of the Government's policy and several satisfactory export seasons had produced a year in which internal wage levels, business activity, employment, and individual spending were higher than ever before. The figures for motor-vehicle licences, radio licences, totalisator receipts, telephone connections and notes in circulation reached new high levels, while the number of marriages constituted a record for the Dominion. The manager of one of the largest retail stores was reported as saying, "It's the best year we've ever had. The people are easy to please and apparently have plenty of money to spend." Nevertheless there were other signs—signs that the fates would not be so kind to the Government in its second term of office as they were in its first. The excess of deposits in the post office savings bank, which had taken place in 1937, had changed by the end of 1938 to a substantial excess of withdrawals; exports were declining not only in value but also in quantity; advances to the Government by the Reserve Bank for purposes other than marketing were rapidly increasing; and the latter part of 1938 saw a rapid fall in the sterling funds held in London by the Reserve Bank and the trading banks.\* It was apparent that the country, as well as its citizens, had been drawing on its bank balance; and the close of the year was marked by

\* See table below, p. 654.

## NEW ZEALAND

the gazettement of the export licences regulations and the import control regulations.\* This, however, was not sufficient to deter New Zealanders from enjoying, in the words of a Labour newspaper, "the happiest and the best spending Christmas New Zealand has ever known".

With the Christmas season over, and the importers beginning to receive the first batches of their import licences from the customs authorities, the country settled down to take stock of its difficulties. The importers discovered that, as had been feared, imports were to be drastically reduced. The working rule adopted by the customs authorities, on instructions from the Minister (Mr. Walter Nash), was to issue licences for the first six months of 1939 based on each importer's figures for the first six months of 1938, with such modifications as the Government's policy required. The nature of these modifications was not disclosed, and all that importers knew was that some had received no licences at all, some had received licences for more-or-less reduced quantities, and some had received licences for all they wanted. No clear plan was discernible, and there were many anomalies and hardships. The importers, assisted by the press, made vehement protests about the difficulty of doing business under these conditions, and the Minister was subjected to strong criticism for his secrecy, which was described as "arrogant silence", "autocratic and inexplicable reticence" and so on. The Minister did not help matters by saying, in reply to certain overseas comment, "They are still guessing, and they will go on guessing". An Auckland body known as the Bureau of Importers decided to challenge the validity of the regulations before the Supreme Court, whereupon the Prime Minister replied: "What the Government has not authority to do it will soon have authority to do. That is all I will say about that at this stage." It is not surprising that New Zealand importers were in January very angry men.

\* See THE ROUND TABLE, No. 114, March 1939, p. 335.

## EXCHANGE CONTROL

Yet the more far-sighted members of the business community were even then able to take a more reasonable view. A past president of the Associated Chambers of Commerce pointed out that the time was not one for recrimination, that in a democratic country the electorate must take its share of the responsibility, and that if the Prime Minister would take the people into his confidence, and say that we must tighten our belts and pay for the glorious picnic of the last three years, he could be assured of public-spirited co-operation by everyone. But the Prime Minister rejected even this olive branch and said: "I do not agree with that philosophy and all I can say is that we are not going to tighten our belts". The Minister of Finance was more accommodating. In addition to replying by letter to points raised by a previous deputation of importers, on January 25, less than two months after the imposition of the regulations, he explained his policy to a conference in Wellington, convened by the Associated Chambers of Commerce and attended by over seven hundred business men from all parts of New Zealand.

The rapid fall in sterling funds was due, he said, to three causes: first, the repatriation of funds left in the country after the raising of the exchange premium on London in 1932; secondly, a concerted effort on the part of some New Zealanders to send their money out of the country; and, thirdly, the increased importation of goods. He did not propose to go into the origin of the last cause, but for the calendar year 1938 exports were approximately £8.2 million sterling short of the amount required to pay for imports and debt and other services for that year. During the coming year, moreover, certain loans, both government and local body, were falling due in London, and if these were to be repaid £18.5 million sterling would be required for the purpose. Further, the accelerated defence expenditure meant that large quantities of goods needed for the three defence arms would entail a heavy charge on sterling funds. To meet this situation the Government

## NEW ZEALAND

had three courses open to it: to increase tariffs, to allow the New Zealand pound to depreciate, or to control exchange and ration imports. The Government had decided to take the last course, but each one of the possible courses involved a restriction of imports. In the view of the Government, if imports had to be reduced, it was but common sense to select the imports desired. Unless they found a way of extending manufactures in the Dominion, there was no future for quite a large section of the young people. Imports would therefore be selected in the following order: first, the fertilisers and equipment necessary for primary production; secondly, the capital equipment and raw materials necessary for secondary industry; as to the rest, the principle would be that first preference would be given to the United Kingdom. He went on to say that the Government could now see for the first time what happened to the proceeds from the sale of exports, which had in the past been partially known to the trading banks and the Reserve Bank; it was only during the last six weeks that the Government had begun to see the ramifications of credit and currency and their effect on sterling funds. He concluded with an appeal for co-operation and an undertaking to remove as far as humanly possible any hardships or anomalies.

The conference then proceeded to prepare a series of written questions to the Minister, and on the second day he attended in person to answer them. Among the important points arising from his answers were these. The duration of the system depended upon the attainment of its objectives; the objectives were to conserve sterling funds in order to provide for debt services and other commitments overseas, for raw materials for New Zealand industry, and for the import of goods that could not be economically produced in New Zealand. It was not practicable to make public the basis upon which import licences were allocated, nor at present to publish a list of prohibited commodities; nor was it possible to state more

## EXCHANGE CONTROL

definitely than he had already indicated the amount by which he expected to reduce imports in the current year. Subject to the protection of local industry, special consideration would be given to oversea firms that were prepared to send goods to the Dominion and leave the proceeds for investment within the country. No transfers of licences would be permitted.

The conference passed resolutions condemning the regulations as impracticable, unnecessary and unjust, and advocating an alternative scheme under which the Government would (a) fix the amount of sterling each importer could use for twelve months, on a basis of the last, say, three years' average, less the percentage necessary to conserve sterling funds; (b) protect local manufactures by listing such goods as were to be prohibited from entry or allowed only under permit; (c) vary the direction of trade by listing goods subject to restriction from certain countries; and (d) set up an import tribunal of business men and government officials to hear and decide appeals. A committee of the conference subsequently published a series of statements in reply to the Minister. As to the Minister's three reasons for the fall in London funds, it was said that the repatriation of funds left in the country should have been anticipated by a Government which had taken office upon an undertaking to reduce the exchange premium and had not done so; that the flight of capital from New Zealand had been due to fear or discouragement caused by the Government's policy; and that over-importation had been due to the gross over-spending by the Government and its huge imports for public works. Generally, the causes were not unavoidable and unalterable—they were the logical sequence of events which the Government itself had set in motion, and of which it should have long ago anticipated the results. The scheme adopted was not the only suitable one: wholesale coercion was unnecessary, and a voluntary restriction as adopted by Australia in 1930 would have sufficed. The scheme of

## NEW ZEALAND

import selection to protect local industries, which the Government, as an afterthought, had grafted on the control of exchange, was ill-conceived, unscientific and uneconomic. It was the result of no proper survey or plan relating to the capacity of New Zealand industry to fill the gap. Finally, the Minister was taken severely to task for refusing to make public the basis of the allocations or to say how long the restrictions would continue.

It is as yet too early to judge the effects of the import control regulations and the degree of their success in attaining the objectives set out by the Minister of Finance, but certain trends may already be noticed. Financially, the trend is unfavourable. The following table gives a picture of the situation.

(In £N.Z. million.)

Year.	Net Overseas Assets of Banking System.	Reserve Bank "other" advances to Government.	Reserve Bank Ratio %.*	Notes in Circulation <i>Average for year ending March.</i>	Imports.	Exports.
	<i>Last Monday in March.</i>				<i>Total for year ending March.</i>	
1935	41.8	—	97.2	6.3	32.6	44.9
1936	44.1	—	98.5	6.6	37.4	49.7
1937	34.4	0.8	72.8	7.9	47.6	60.2
1938	26.6	—	74.1	9.1	58.1	65.0
1939	9.3	12.0	25.4	10.2	54.4	57.9

Month.	<i>Last Monday in Month.</i>			<i>Average.</i>	<i>Total for Month.</i>	
1938						
Jan.	23.0	1.1	67.3	9.7	5.6	7.5
Apr.	28.6	—	81.7	10.6	4.5	4.5
July	23.3	1.9	70.6	9.6	4.6	3.8
Oct.	11.9	6.8	46.1	10.8	4.3	2.2
1939						
Jan.	7.3	11.1	25.8	11.0	4.7	6.2
Feb.	9.1	12.8	25.8	11.0	4.8	6.2
Mar.	9.3	12.0	25.4	11.2	4.4	7.7

\* By statute the Reserve Bank is required to maintain in gold and sterling exchange a reserve of not less than 25 per cent. of its notes in circulation and other demand liabilities.

## EXCHANGE CONTROL

The "other" advances to the Government are advances other than those to the Primary Products Marketing Department, which are covered by unsold produce. A fairly large amount of these "other" advances must also be covered by the assets created by the progress of the housing scheme, but no official figures on the point are available.

It must be remembered that under past Governments over-importation was usually met by the raising of a loan in London, especially where the imports concerned were largely capital goods for public works and allied purposes. The present Government has from the beginning set its face against any such loans. It is not suggested, of course, that the steady depletion of sterling funds since Labour came into office has been due entirely to the import of capital goods, but for the calendar year 1937 only about one-third of all goods imported were finished consumers' goods, while for the calendar year 1938 this proportion was still less. These facts, while indicating where the money has gone, also show how difficult is the task facing the Minister of Finance in his endeavour to use the import control regulations to build up funds in London and at the same time develop local industry (or even keep local industry going at its past level). A rough estimate indicates that, even if imports of finished consumers' goods (including many essential commodities which cannot be produced in New Zealand) were cut by half, the problem would not be solved. Within his own party the Minister has been severely criticised for not applying control much sooner, when it could have been flexible and have caused much less hardship than the present emergency remedy. Indeed, it is difficult to understand why the declared policy of the Labour party was not seen to demand such a selective control in its first term of office.

The obstinate refusal of the sterling funds to rise in the manner hitherto considered normal in the months when exports are creating credits in London is due also to other



## NEW ZEALAND

factors. The demand for London funds to pay for imports ordered before the control was imposed has been heavy. It is not known to what extent imports for government departments have been restricted; certainly, imports for defence purposes have been large, and are bound to increase. Some types of exchange transaction that are not affected by either the import or the export regulations, and that normally went through the banks, have probably been diverted to other channels, where it is believed that an "unofficial" exchange rate has developed. Local industry requires new capital equipment, which must be imported. Finally, there is the decline in primary production. Indeed, it seems that sterling funds will not rise very much this year.

### II. PROBLEMS OF PRODUCTION AND LABOUR.

The decline in the volume of primary production has been mainly confined to the dairying industry. For the export year ending July 1938 the quantity of butterfat exported was 7 per cent. less than in the previous year, while for the seven months ending February 1939 the decline was 9 per cent. in comparison with the corresponding period in 1937-38. For the same comparative periods the killings of pigs fell by 20 per cent. The number of dairy cows has been falling steadily since 1936. The indications are that there is a definite tendency to change over to sheep. On April 30, 1938, there were over 32 million sheep in the Dominion, more than ever before, and it is estimated that even this figure will be exceeded at the end of the current season. The killings of lamb increased by 10 per cent. between the two seven-months periods mentioned, although this season's total is not expected to exceed last season's. On the other hand, the United Kingdom market for meat is now restricted, and the plight of the sheep-farmer proper—that is to say, the breeder and wool-grower—is said to be desperate.

## PROBLEMS OF PRODUCTION

In January the president of the New Zealand Farmers' Union addressed a letter to the Prime Minister in which he said that the high costs of sheep-farming could not be met out of the comparatively low revenue, that the sheep-farmer could not pay competitive rates for labour, that rates and land tax were a heavy burden, and that on all types of land, including the very best, finance was not available for maintaining the fertility of the land. His executive was of the opinion, he said, that millions of acres of grazing land would soon be forced out of production, and he asked that the Government urgently appoint a Royal Commission to enquire into the problem.

The Government, however, has attacked the task of developing local industry with vigour and enthusiasm. A "Buy New Zealand Goods" campaign was opened in December and has been actively continued. Early in March the Prime Minister began a tour of inspection of local factories which was given good publicity in the press. It is clear that many new minor industries will be established, and most existing ones will expand. Of major industries it is as yet too early to judge, except that the Bureau of Industry is considering applications for a licence for the manufacture of motor tyres, and most of the important oversea tyre firms are among the applicants. Another new project is the re-survey of the Taranaki iron sands in the hope that modern research may have discovered some new method of smelting this potentially valuable but hitherto intractable deposit. The Onekaka steel project\* is still hanging fire, and London experts are now in the Dominion making further investigations.

It may be said that in all this interest in local industry the Government is making a virtue out of necessity. This, however, is not the whole truth. The development of local industry in order to provide New Zealand with a more balanced economy has long been part of the Labour

\* See THE ROUND TABLE, No. 111, June 1938, p. 645.

## NEW ZEALAND

party's policy, and Mr. Sullivan was by no means inactive in his first term of office. Indeed, in 1938 the number of workers engaged in secondary industry exceeded 100,000 for the first time. At the annual meeting of the Manufacturers' Association last November the President said that during the past three years the Minister's courtesy, push and vision had helped them through many difficulties. While, he added, there was a feeling among them that there had been a lack of progress, they had no complaint against him personally. They had no hesitation in offering him their full co-operation in the efforts he was making to assist industries in the Dominion. The point is that, whereas action to implement the policy was formerly desirable, it is now imperative.

Nevertheless, the import regulations found the Government without any detailed and coherent plan for local industry. In a speech to the Labour party caucus in February, Mr. Sullivan said that the task was one of herculean proportions, involving problems of raw materials, labour supply, finance, markets, prices, and standards of quality, but it had been manfully tackled with excellent results. He had set up a departmental committee to consult with representatives of industry and advise the customs department what goods could be made in New Zealand and what could not. This committee had been working almost day and night since the introduction of import restrictions, discussing with manufacturers the extent to which they could expand and supply New Zealand with the commodities required. It is clear that the country was entitled to expect something better than this hasty improvisation.

Of the problems mentioned by the Minister, that of labour is of immediate importance. The labour required will be very largely skilled males and semi-skilled females (the proportion of these for one city was given as five males to four females), and it is just this type of labour which it is most hard to obtain. In its search for skilled

## PROBLEMS OF PRODUCTION

labour for its housing scheme, the Government has had to import several hundred men from Australia, while the demand for young women in shops, offices and factories has for some time exceeded the supply. To find more men it is natural to turn to the 20,000 or so who are employed on public works. The Prime Minister has said that it is the general policy to take men off public works and put them into industry, and it was announced late in February that the Government had asked the Manufacturers' Federation to make arrangements to take 8,000 men in six weeks. The manufacturers, however, complained that men who had been employed on public works were disinclined to enter factories, and when forced to do so had not always been satisfactory. The President of the Manufacturers' Federation said: "If an industry is prepared to work an additional shift mainly for the purpose of training new workers, but requires a subsidy while this male adult labour is being trained, then I think the Minister of Labour will give such a request his sympathetic consideration". It appears, therefore, that the Government cannot hope to transfer any large number of its employees to the pay-rolls of private industry without paying something for the privilege.

The labour problem has also its wider aspects. There are the major issues of co-operation between employers and employees, and of the willingness of the worker to give full value for his high wages. There have been many allegations of slacking, and one prominent business man went so far as to say that there was now less work done for more money than at any other time in the country's history. Cabinet Ministers have been frank in their condemnation of those described by the Minister of Public Works as "scroungers". The Prime Minister on his visits to factories has not lost the opportunity to urge upon the workers the necessity of an increased output. Soon after he took over the portfolio of Labour from Mr. H. T. Armstrong, Mr. P. C. Webb said that "we cannot

## NEW ZEALAND

take more out of the national income pool than we put into it. We must increase production and we must avoid industrial friction." He followed this up in the next month (January) by calling, in the principal cities, conferences representative of every branch of industry, both workers and employers. In his address to the Wellington conference he appealed for co-operation in the national interest, and suggested that a council might be appointed, at which every question affecting industry might be discussed with an unbiased mind, and representatives might approach all problems from the point of view of New Zealand. The conferences enthusiastically supported the Minister's plan, decided to set up both national and local councils, and displayed a general feeling of goodwill and determination to overlook sectional interests. The Minister is a believer in the conference procedure, and in an outspoken statement on February 22 he announced his intention of calling a national conference between shipowners and water-siders to end "the inefficiency which unfortunately prevails in many New Zealand ports". The Minister's action was not by any means premature; for shipowners have complained bitterly of the labour cost of handling cargo on the New Zealand wharves.

In addressing the conference in Wellington on March 9, the Minister said that, whatever the causes, if things were to continue as they were the water-front would be held up as the laughing-stock of New Zealand, if not also of other parts of the world. The conference was also addressed by the Minister of Finance, who pointed out that there was not a single hold-up on the water-front, whether by the shipowners or by the water-siders, which did not have a detrimental effect on the national economy; and by the Minister of Public Works, who said that if he worked on the principle now adopted on the water-front it would cost him twice as much as it did to make a mile of railway or road. The Minister for Housing (who was formerly Minister of Labour) suggested that, if the trouble could

## PROBLEMS OF PRODUCTION

be traced to the wilful inefficiency of individual workers, then the union should be given power to discipline them, by expulsion if necessary. As a result of the conference's deliberations, a new national organisation is to be set up to report to the Minister upon new methods of employing labour and of utilising more efficiently the labour available, and to use every endeavour to prevent stoppages. Nevertheless within a fortnight a major stoppage occurred at Wellington, where the water-siders, irritated over what they thought was unreasonable delay in the issue of their new wages award, adopted "go-slow" tactics, and consequently were dismissed *en masse*. After a meeting at which they were alternately cajoled and threatened by the Ministers of Labour and of Marine, they agreed to return to work, but by then the whole port had been idle for several days. In addressing himself to the problem of water-front labour, the Minister has indeed tackled a thorny task, and his policy is in this respect still wanting in results.

Agricultural labour also is likely to give the Minister much trouble. Seasonal labour was with difficulty found last year by taking men off public works, but according to the farmers the problem of permanent labour has become acute. At this point there is felt most keenly the impact of the comparatively unsheltered market for primary produce upon the sheltered wage-market of the New Zealand worker. The farmers complain that they cannot afford to provide either wages or conditions comparable with those provided either upon public works or in industry. In February an abortive and somewhat bellicose conference took place between the Farmers' Union and the New Zealand Workers' Union on the subject of a new wage agreement. The conference met again in March under the chairmanship of the Minister of Labour, and appointed a committee to continue the discussions, but no solution is yet in sight. The workers demand increases upon the scale provided by the Agricultural Workers'

## NEW ZEALAND

Order of 1937, increases which the farmers say they are quite unable to give.

### III. BRITISH COMMONWEALTH RELATIONS

IN spheres somewhat wider than the purely domestic there have been two interesting developments. The first is the arrival of Sir Harry Batterbee, the newly appointed High Commissioner for the United Kingdom in New Zealand. New Zealand is now in line with the other Dominions in carrying out the spirit of the resolutions of the Imperial Conference of 1926 by having in New Zealand a direct representative of the United Kingdom Government. The flippant citizen delighted in repeating the rumour that the appointment had a more sinister significance, but at the state luncheon to Sir Harry Batterbee the Prime Minister said that rumour was not always correct, and stressed the value of personal contact with a representative of the British Government, who could give expression to the mind behind the communications and interpret the one Government to the other.

The second development is the announcement that a conference is to be held in New Zealand between representatives of the United Kingdom, Australian and New Zealand Governments to discuss Pacific questions of mutual interest, with special reference to defence. The holding of this conference is of peculiar interest in the light of the discussions at the British Commonwealth Relations Conference in Sydney,\* where it was suggested that each Dominion should take a wider regional responsibility for defence as a natural extension of its home-defence requirements, and that this involved a strategic study over the whole area in which the Dominion was situated with a view to possible active defence measures in that area. The forthcoming conference may achieve more than a plan for pooling Australian and New Zealand resources

\* See THE ROUND TABLE, No. 113, December 1938, p. 58.

## BRITISH COMMONWEALTH RELATIONS

in an emergency : it may pave the way for regional Imperial Conferences as a new technique of Commonwealth co-operation.

The fact that it has been called at the instigation of New Zealand is encouraging evidence of the Government's attention to the defence problem. The Government is not given to making pronouncements upon the subject, and in this respect has stood during the last six months in marked contrast to the other Governments of the British Commonwealth. Nevertheless a great deal of quiet work is being done. The territorial force has now reached a state of efficiency surpassed only in the best years of compulsory training, and the development of the air force is proceeding apace. Most of the Vickers "Wellington" bombers will arrive this year, and the aerodromes and equipment will be ready for them. Great progress has been made with the territorial air squadrons, and the Government will this year receive a further 109 reserve planes released by the United Kingdom Government for training purposes. An instance of the energy with which the ground equipment—hitherto the principal retarding factor—is being prepared is given by the new aerodrome and hangars at Blenheim for the Marlborough territorial air squadron; although work on this aerodrome has only just started, it is intended to be completed and fully equipped by September, at a cost of £100,000.

New Zealand,  
April 1939.



## OFFICIAL PUBLICATIONS ON BRITISH COMMONWEALTH AFFAIRS

In future THE ROUND TABLE will print every quarter a list of official papers, published under the authority of the different Governments and Parliaments of the British Commonwealth, on matters of common concern to the member nations of the Commonwealth, or on the internal affairs of the Dominions, India and the colonies in so far as these are of outstanding interest to their fellow members. The list below covers a three-months period ending, for the United Kingdom and Ireland, at April 30, and for other Dominions at earlier dates. United Kingdom publications may be obtained from H.M. Stationery Office, Dominion publications from the respective government printers or through the High Commissioners' offices in London; any publication may be obtained through THE ROUND TABLE, 2 Paper Buildings, Temple, London, E.C.4. Unless otherwise stated, postage must be added to the prices quoted.

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- Colonies*.—Annual reports on Social and Economic Progress (annual subscription, £2 10s. post free): Aden (No. 1883), 1s.; Ceylon (No. 1887), 3s.; Falkland Is. (No. 1888), 9d; New Hebrides (No. 1889), 9d; Nigeria (No. 1886), 2s.; Nyasaland (No. 1885), 1s. 3d; Seychelles (No. 1890), 9d; Swaziland (No. 1884), 6d.  
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- Commonwealth Grants Commission*.—Fifth report, 1938. No. 90-F. 2348. 5s. 3d.  
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- Oil Resources*.—Petroleum in New Zealand. (Price not stated.)  
*Dependencies*.—The Soils and Agriculture of Western Samoa. (Price not stated.)

### IRELAND (EIRE)

- Partition*.—The Unity of Ireland. Reprint of Mr. De Valera's speech in Seanad Éireann, Feb. 7, 1939. 1d.



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